

NOT 13916-91167

2008-015198

Klamath County, Oregon



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11/10/2008 11:31:24 AM

Fee: \$41.00

AFTER RECORDING, RETURN TO:  
THORP, PURDY, JEWETT,  
URNESS & WILKINSON, P.C.  
1011 Harlow Road, Suite 300  
SPRINGFIELD, OR 97477

### TRUST DEED

This trust deed, made this 17 day of September 2008, between, Cheri L. Peterson, Grantor, K.C. Huffman, Trustee, and Mary Lee Cisney, Beneficiary.

#### WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the property in Lane County, Oregon, commonly known as 12446 Muttonchop Street ~ Crescent Lake, Oregon 97425, more particularly described as: 12446 Muttonchop Street ~ Crescent Lake, Oregon 97425

Lot 1, Block 9, Tract 1042, TWO RIVERS NORTH, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon

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

Grantor executes this trust deed for the purpose of securing performance of each agreement of Grantor herein contained and payment of the sum of One Hundred Twenty Five Thousand Dollars (\$125,000.00) with interest according to the terms of a promissory note of even date herewith, payable to Beneficiary. The full payment of principal and interest hereof, if not sooner paid, is to be due and payable not later than March 1, 2038.

Grantor may not sell or transfer any interest in the property or permit any lien or encumbrance to attach to the property or cut any of the timber on the property, without prior written consent of Beneficiary, which consent shall not be unreasonably withheld.

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 and not to commit or permit any waste of the Property.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed on the Property, and pay when due all costs

TRUST DEED - 1

(172510)

AMERITITLE has recorded this  
Instrument by request as an accomodation only,  
and has not examined it for regularity and sufficiency  
or as to its effect upon the title to any real property  
that may be described therein.

Handwritten signature/initials

incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property; if Beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as Beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by Beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the Property against loss or damage by fire with extended coverage and against such other hazards as Beneficiary may from time to time require, in an amount not less than the full replacement cost, with companies acceptable to Beneficiary, with loss payable to the latter. Evidence of such insurance satisfactory to Beneficiary shall be supplied to Beneficiary upon execution of this trust deed and thereafter periodically upon Beneficiary's request. All such policies or evidence thereof shall contain the agreement of the insurer to give Beneficiary 30 days' written notice prior to the effective date of any lapse, cancellation or material reduction of the policy. If Grantor fails for any reason to procure any such insurance or to deliver the evidence thereof, Beneficiary may procure the 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 advance, application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep said premises 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. If Grantor fails 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. The amount so paid, with interest at the rate set forth in the aforementioned note, 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 and 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. The nonpayment thereof shall, at the option of 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 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. In any action or proceeding in which Beneficiary or Trustee may appear, including any suit for the foreclosure of this trust deed, to pay all costs and expenses, including evidence of title and 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. Grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as Beneficiary's or Trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. If any portion or all of the Property is taken under the right of eminent domain or condemnation, or the threat thereof, 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 to 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. Grantor agrees at its own expense, to take such actions and execute such instruments as may 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 trust 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 thereof; (c) join in any subordination or other agreement affecting this trust 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's fees or any of the services mentioned in this paragraph shall be not less than \$50.

10. Upon any default of this Trust Deed or the Promissory Note of even date 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, in such order as Beneficiary may determine.

11. The entering upon and taking possession of the Property, the collection of 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 its performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, Beneficiary may declare all sums secured hereby immediately due and payable. In such an event, Beneficiary at its election may proceed to foreclose this trust deed as a mortgage, direct Trustee to foreclose this trust deed by advertisement and sale, or may direct Trustee to pursue any other right or remedy, either at law or in equity, which Beneficiary may have. In the latter event, Beneficiary or Trustee shall execute and cause to be recorded its written notice of default and its election to sell the Property to

satisfy the obligation secured hereby. Whereupon, 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, as amended at the time the proceeding is commenced.

13. After Trustee has commenced foreclosure by advertisement and sale, and at any time prior to five days before the date Trustee conducts the sale, 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 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 amount 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 said sale may be postponed as provided by law. 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 Trustee, but including 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 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 Trustee in the trust deed as their interests may appear in the order of their priority; and, (4) the surplus, if any, to Grantor and to its 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 trust 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.

18. Grantor represents and warrants that the Property will never be used for storage, manufacturing or handling of hazardous or toxic substances or wastes. Grantor shall indemnify, defend and hold Beneficiary harmless from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and

attorney fees, in any way connected with any claim of injury to any person or property (including costs of studies, surveys, clean up and any other environmental claims or expenses) or any loss to Beneficiary occasioned in any way by hazardous or toxic substances placed or deposited on the Property after the date hereof.

Grantor covenants and agrees to and with Beneficiary and those claiming under it, that it is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto except easements, reservations and restrictions of record as of the date of this instrument and that it will warrant and forever defend the same against all persons whomsoever.

This trust deed applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, administrators, executors, personal representatives, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the neuter gender includes the feminine and masculine, and the singular number includes the plural.

IN WITNESS WHEREOF, Grantor has hereunto set its hand the day and year first above written.

Cheri L. Peterson  
Cheri L. Peterson

STATE OF OREGON            )  
County of Lane                )ss

Personally appeared before me the above named Cheri L. Peterson and acknowledged the foregoing to be her voluntary act and deed this 17 day of September 2008.



Megan E. Salsbury  
Notary Public for Oregon  
My Commission Expires: September 18, 2011