

2009-006798

Klamath County, Oregon



00066082200900067980090091

AFTER RECORDING MAIL TO:

05/14/2009 02:47:24 PM

Fee: \$66.00

Thomas R. Henkle and Judith E. Henkle
P. O. Box 130
Carlton, OR 97111-0130

lot 1386199

**ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS
(LONG FORM)**

File No.: **7021-1386199 (DMC)**

Date: **May 12, 2009**

This ALL-INCLUSIVE DEED OF TRUST, made this **May 12, 2009**, between **Wright Family Trust dated Oct. 10, 2008** herein called GRANTOR, whose address is **3160 Island View Drive, Ventura, CA 93003, First American Title Insurance Company of Oregon**, herein called TRUSTEE, and **Thomas R. Henkle and Judith E. Henkle as tenants by the entirety**, herein called BENEFICIARY, WITNESSETH: That Grantor does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH POWER OF SALE, that Property in the County of **Klamath**, State of **OR**, described as follows and containing not more than twenty acres:

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the Purpose of Securing (1) payment of the sum of **\$204,000.00** with interest thereon according to the terms of an All-Inclusive Promissory Note of even date herewith (hereinafter "The Secured Note") made by Trustor, payable to order of Beneficiary, with final payment due **May 11, 2016**, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein.

A. Senior Deed(s) of Trust:

This is an All-Inclusive Deed of Trust, securing the Secured Note and is subject and subordinate to the following instruments:

1. A Deed of Trust recorded **November 28, 2005**, as Instrument No. **M05-69936**, of Official Records **Klamath County, Oregon**, in the original principal sum of **Two Hundred Twelve Thousand, One Hundred Ninety-Three Dollars and no cents** dollars (**\$212,193.00**) in favor of **Countrywide** as Beneficiary, securing a Note for said amount.

The Promissory Note(s) secured by Deed(s) of Trust is (are) hereinafter referred to as the "Senior Note(s)".

B. To protect the Security of the All-Inclusive Deed of Trust, Grantor agrees:

FL6-

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and material furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary. 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 application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The provisions hereof are subject to the mutual agreements of the parties as below set forth.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorney's fee in a reasonable sum, in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.
4. To pay: (a) at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; (b) when due, subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; (c) all allowable expenses of the Trust.
5. Should Grantor fail to make any payment or to do any act as herein provided, the Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to either upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers Beneficiary or Trustee; pay, purchased, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay allowable expenses.
6. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

C. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part hereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Grantor hereby gives to/and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same less allowable expenses of operation, 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 due pursuant to such notice.

6. 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 declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended

under the terms of hereof, not then repaid with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto. However, all costs, fees and expenses set forth in this paragraph shall not be applicable to or charged by the Grantor or his successor in interest.

7. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. The Trustee accepts this Trust when this All-Inclusive Deed of Trust, 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 brought by Trustee.

9. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the Grantor at his address hereinbefore set forth.

D. The Parties Further Agrees:

1. By Beneficiary's acceptance of this All-Inclusive Deed of Trust, Beneficiary agrees that, provided Grantor is not in default on the Secured Note, Beneficiary shall pay all installments of principal and interest which become due under the terms of the Senior Note(s). In the event Grantor shall be in default on the Secured Note, Beneficiary's obligation under the Senior Note(s) is deferred until the default under the Secured Note is cured. Should the Beneficiary default in any of the installments as to the payment on the Senior Note(s) at a time when Grantor is not in default in the performance of the obligations of the Grantor under the Secured Note or this All-Inclusive Deed of Trust, the Grantor may make said payments directly to the holder of such Senior Note(s); any and all payments so made shall be credited to the Secured Note against the next succeeding installments of principal and interest. Nothing contained herein shall be construed to create a third party beneficiary relationship between the Beneficiary and any other person.

2. Notwithstanding any covenants contained in the Senior Note(s) or Deed(s) of Trust securing same, Beneficiary shall have no further duty under this All-Inclusive Deed of Trust when: (i) the lien of this All-Inclusive Deed of Trust has been extinguished by foreclosure sale or (ii) this All-Inclusive Deed of Trust has been duly reconveyed after payment in full of the Secured Note and subsequent to the payment by the Beneficiary herein of Grantor's portion of the Senior Note(s) which the Beneficiary herein is required to pay to the holder of said Senior Note(s).

Should Grantor be in default under the terms of the Secured Note and Beneficiary consequently incurs any penalties, charges, or other expenses on account of the Senior Note(s) during the period of such

default, the amount of such penalties, charges and expenses shall be immediately added to the principal amount of the Secured Note and shall be immediately payable by Grantor to Beneficiary.

If at any time the total of: the unpaid balance of the Secured Note, the accrued interest thereon, all other sums due under the terms thereof and all sums advanced by Beneficiary pursuant to the terms of this All-Inclusive Deed of Trust, is equal to or less than the unpaid principal balance of the Senior Note(s) and accrued interest thereon, the Secured Note, at the option of Beneficiary, shall be canceled and said property shall be reconveyed from the lien of this All-Inclusive Deed of Trust.

3. Grantor and Beneficiary agree that in the event the proceeds of any condemnation award or settlement in lieu thereof, or the proceeds of any casualty insurance covering destructible improvements located upon said property, are applied by the holder of the Senior Note(s) in reduction of the unpaid principal amount thereof, the unpaid principal balance of the Note secured hereby shall be reduced by an equivalent amount and be deemed applied to the last sums due under the Secured Note.

4. At such time as the Secured Note becomes fully due and payable, the unpaid indebtedness of principal and interest owing thereon shall be reduced by the then unpaid balance of principal and interest due on the Senior Note(s).

5. Any demand hereunder delivered by Beneficiary to Trustee for the foreclosure of the lien of this All-Inclusive Deed of Trust may be not more than the sum of the following amounts; (i) The equity of Beneficiary in the note secured hereby being the difference between the then unpaid balance of principal and interest accrued and unpaid on the Secured Note on the date of such foreclosure sale and the then unpaid balance of principal and interest so accrued and unpaid on the Senior Note(s) as the date of such foreclosure sale; plus (ii) The aggregate of all amounts theretofore paid by Beneficiary pursuant to the terms of this All-Inclusive Deed of Trust prior to the date of such foreclosure sale, for taxes and assessments, insurance premiums, delinquency charges, foreclosure costs, and any other sums advanced by Beneficiary pursuant to the terms of this All-Inclusive Deed of Trust, to the extent the same were not previously repaid by Grantor to Beneficiary; plus (iii) The costs of foreclosure together with attorney's fees and costs incurred by Beneficiary in enforcing this All-Inclusive Deed of Trust or the Note secured hereby as permitted by law.

6. Notwithstanding any provision to the contrary herein contained, Beneficiary for himself, his successors and his assigns, agrees that, in the event of a foreclosure of this All-Inclusive Deed of Trust, he will, at the trustee's sale, offset his bid by an amount to exceeding the amount representing the total amount then due under the note secured hereby plus any advances or other disbursements which Beneficiary and his successors or assigns, may, by law, be permitted to include as an offset to his bid, less the then actual total balance due upon any notes or obligations secured by any and all deeds of trust having priority over this All-Inclusive Deed of Trust and covering the above described real property or any portion thereof. The Trustee may rely on any statements received from Beneficiary as the unpaid total balance, advances or disbursements, and such statements shall be deemed binding and conclusive as between Beneficiary and Grantor, on the one hand, and Trustee, on the other hand, to the extent of such reliance.

7. Grantor covenants and agrees that Grantor shall perform and observe all obligations to be performed and observed by Grantor under the Deed(s) of Trust securing the Underlying Note(s).

(IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS ALL-INCLUSIVE DEED OF TRUST, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT TO SAME.)

Signature of Grantor

David B. Wright and Donna J. Wright,
Trustees of the Wright Family Trust dated
October 10, 2008

David B. Wright, Trustee

Donna J. Wright, Trustee

Signature of Beneficiary

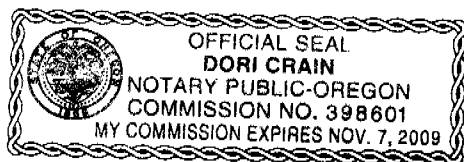
Thomas R. Henkle and Judith E. Henkle

By: _____
Authorized Signor

STATE OF Oregon)
)
) ss.
COUNTY OF Klamath)

On this 12 day of **May, 2009**, before me, a Notary Public in and for said State, personally appeared, known or identified to me to be the of the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for the State of Oregon
Residing at: Klamath Falls, OR
My Commission Expires: 11/7/10

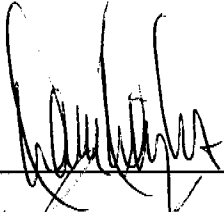
ADDENDUM TO TRUST DEED

This Addendum is executed contemporaneously with and is part of a Trust Deed (the "Trust Deed") between David B. Wright and Donna J. Wright, Trustees of the Wright Family Trust dated October 10, 2008 as Grantor, First American Title Insurance Company of Oregon as Trustee, and Thomas R. Henkle and Judith E. Henkle, tenants by the entirety, as Beneficiary.

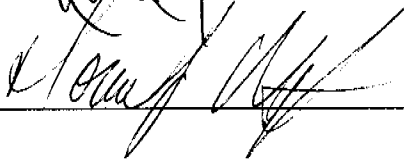
The following language is added to the end of Section 5 of the "**Grantor agrees**" section of the Trust Deed:

Because Beneficiary is paying the property taxes, Grantor will pay, each month, in addition to the amount required to be paid under the promissory note secured by this trust deed, an amount equal to 1/12th of the estimated property tax obligation for the tax year in question. Such payments will be made into an escrow account set up by the parties, at Grantor's expense, with First American Title Company, Klamath Falls Office, or a collection escrow company selected by First American Title. The collection escrow agent will collect this amount each month and upon confirming each November that the property taxes have been paid for the tax year in question, will promptly remit the amount of taxes so paid to Beneficiary. If the reserve is insufficient to reimburse Beneficiary for the entire tax payment, Grantor will, upon notice from either the collection escrow or Beneficiary, immediately pay the deficiency to escrow for distribution to Beneficiary. If the reserve exceeds the amount necessary to reimburse Beneficiary for the taxes paid, then the collection escrow will hold the money to be applied toward the monthly deposit(s) next falling due. Upon the request of Beneficiary, Grantor will increase the amount of the payment to the collection escrow to offset the increases (or anticipated increases) in property taxes levied against the property. Grantor agrees that Beneficiary is not obligated to pay any interest on the amounts deposited with or held by the collection escrow. Grantor agrees that time of payment under this provision is of the essence of the trust deed and the failure of Grantor to fully perform under this provision shall constitute a default under this trust deed and the note it secures.

David B. Wright and Donna J. Wright, Trustees
of the Wright Family Trust dated October 10, 2008:



David B. Wright, Trustee



Donna J. Wright, Trustee

**REQUEST FOR FULL RECONVEYANCE
TO TRUSTEE****DO NOT RECORD**

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel and note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designed by the terms of said Deed of Trust, all the estate now held by you under the same.

Date: _____

Please mail Deed of Trust,

Note and Reconveyance to: _____

Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

EXHIBIT A

LEGAL DESCRIPTION: Real property in the County of Klamath, State of Oregon, described as follows:

Lot 9 of Tract 1416, THE WOODLANDS - PHASE I, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.