

2010-009128

Klamath County, Oregon



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08/03/2010 09:59:29 AM

Fee: \$62.00

**RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:**

Nicholas J. Schneider, Esq.
Seed Mackall LLP
1332 Anacapa Street, Suite 200
Santa Barbara, CA 93101

DEED OF TRUST

(Space above this line for Recorder's use only)

APN: R521858

THIS DEED OF TRUST, made effective May 12, 2010, among **NICHOLAS J. SCHNEIDER, Trustee of The Thompson 2010 Irrevocable Trust dated May 12, 2010 fbo David W. Thompson ("Grantor")**, whose address is 1332 Anacapa St., Suite 200, Santa Barbara, CA 93101, **FIRST AMERICAN TITLE ("Trustee")**, and **JERRY W. THOMPSON and DIANE E. THOMPSON, Co-Trustees of The Thompson Living Trust dated June 5, 2009 ("Beneficiary")**, whose address is P.O. Box 786, Los Alamos, California 93440-0786.

WITNESSETH: That Grantor does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO THE TRUSTEE IN TRUST WITH POWER OF SALE, an undivided seventeen percent (17%) interest in that real property in the County of Klamath, State of Oregon, which is described on the attached **Exhibit A**.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing payment of the indebtedness evidenced by a promissory note, of even date herewith, executed by Grantor in the sum of \$86,414.40, with final payment due on the date that is nine (9) years from the date of this Deed of Trust, and to secure payment of all such further sums as may hereafter be loaned or advanced by the Beneficiary herein to the Grantor herein, or any or either of them, while record owner of present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such further loans, advances or expenditures shall be optional with the Beneficiary and provided further, that it is the express intention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together with interest thereon.

A. To protect the security of this Deed of Trust, Grantor agrees:

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 materials 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 thereof; 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 enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under and fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order and 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.
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 fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses, of this Trust. In Addition to the payments due in accordance with the terms of the note hereby secured the Grantor shall at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure to pay shall constitute a default under this Trust.
5. To pay immediately and without demand all sums expended by Beneficiary of Trustee pursuant to the provisions hereof, with interest from date of expenditure at the rate of interest specified in the above-described promissory note.
6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligations hereof, may; make or do the same in such manner and such an extent as either may deem necessary to protect this security hereof, Beneficiary or Trustee being authorized to enter 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 or beneficiary or Trustee; pay, purchase, 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, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel and pay his reasonable fees.

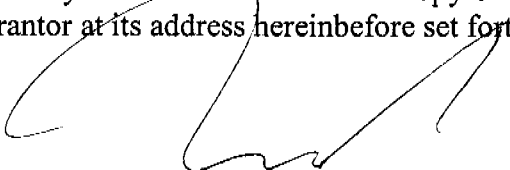
B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof 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 Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: Reconvey all or 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 Deed and said note to Trustee for cancellation and retention upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. 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 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 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 his 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's fees, upon and 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.
6. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated. Notice of sale having been given as then required by law, and

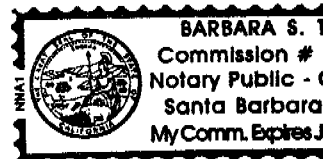
not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sale property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty expressed 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, may purchase at such sale. After deducting such costs, fees and expenses, of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof not then repaid, with accrued interest at the rate specified in the above described promissory note; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed 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 holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
8. 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 its address hereinbefore set forth.



Nicholas J. Schneider, Trustee of The Thompson
2010 Irrevocable Trust dated May 12, 2010 fbo
David W. Thompson



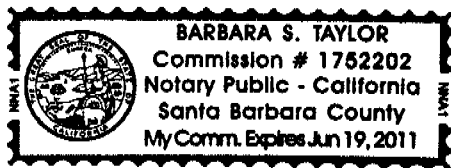
NOTARIAL ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA)

On May 12, 2010, before me, Barbara S. Taylor, a Notary Public, personally appeared **Nicholas J. Schneider** who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and Official seal.



Barbara S. Taylor
Notary Public

(Seal)



EXHIBIT A

LEGAL DESCRIPTION

PARCEL NO. 1

A tract of land in Lots 4, 5 and 11 of Kielsmeier Acre Tracts, a plat of record in Klamath County, Oregon, said tract being more particularly described as follows:

Beginning at a point on the East line of said Lot 5 said point being south 00° 12' 15" west a distance of 10.00 feet from the northeast corner of said Lot 5; thence continuing south 00° 12' 15" west along the east line of Lot 5 and 11 a distance of 355.02 feet to the southeast corner of said Lot 11; thence north 89° 52' 00" west along the south line of said Lot 11, a distance of 119.00 feet; thence north 00° 12' 15" east parallel with the west line of said Lot 5 a distance of 154.01 feet; thence north 45° 00' 00" west a distance of 15.51 feet; thence north 00° 12' 15" east a distance of 190.00 feet to a point which is 10.00 feet southerly of the north line of said Lot 4, said point also being on the southerly line of South Sixth Street; thence south 89° 53' 55" east a distance of 130.00 feet to the point of beginning, containing 44,388 sq. ft. (1.02 acres), with the bearings based on record of survey No. 1852.