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After recording return to:  
**AMERITITLE**  
1495 NW Garden Valley Blvd  
Roseburg, OR 97471

This space reserved for

**2013-004359**  
Klamath County, Oregon  
04/24/2013 01:23:15 PM  
Fee: \$57.00

Until a change is requested, all tax statements  
shall be sent to the following address:

**Ronald E. Norred and Sabrina Norred**  
P.O. Box 293  
Sprague River, OR 97639

Escrow No.: **RB0708801**

**TRUST DEED**  
(Non-Assignable Form)

THIS TRUST DEED, made this 19<sup>th</sup> day of April, 2013, between **Ronald E. Norred and Sabrina Norred, as tenants by the entirety**, whose address is P.O. Box 293, Sprague River, OR 97639, as Grantor, AmeriTitle, as Trustee, and **Richard S. Vaupel and Sherrae M. Vaupel, husband and wife or the survivor**, whose address is 1994 Fisher Road, Roseburg, OR 97470, as Beneficiary,

**WITNESSETH:**

Grantor irrevocably grants, bargains, sells, and conveys to trustee in trust, with power of sale, the property in KLAMATH County, OR, described as:

**Lots 12 and 13 in Block 8 of SECOND ADDITION TO NIMROD RIVER PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.**

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of **\*\*\*FORTY THOUSAND AND NO/100ths\*\*\* Dollars, with interest thereon** according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable 04/24/2028.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

**Grantor warrants, represents and covenants that there is and has been no discharge or disposal on the property of any hazardous or toxic wastes or substances (as such terms are defined by any applicable federal, state, or local governmental law, rule, ordinance, or regulation) or contamination of the property by any such substances.**

**To protect the security of this trust deed, grantor agrees:**

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good and workmanlike manner any building or improvement, which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the 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 the beneficiary.
4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than FULL INSURABLE VALUE written in companies acceptable to the beneficiary, with
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 said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

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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, and the amount so paid with interest at the rate set forth in the note secured hereby, 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 hereinbefore described, as well as the 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, and the nonpayment thereof shall, at the option of the 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 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 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; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the 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 and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

**It is mutually agreed that:**

8. In the event that any portion or all said property shall be taken under the right of eminent domain or condemnation, 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 upon any reasonable cost and expenses and attorney's fee, 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; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall 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 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 said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (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 for any of the services mentioned in this paragraph shall be not less than \$5.00.
10. Upon any default 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 said 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, and in such order as beneficiary may determine.

11. The entering upon and taking possession of said property, the collection of such 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 his performance of any agreement hereunder, time being of the essence with respect of such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the 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.
13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor of 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 the 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 amounts 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. The 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 the trustee, but including the 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 the 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

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

subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his 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 an 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 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.

The grantor covenants and agrees to, and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto and that he will warrant and forever defend the same against all persons whomsoever.

#### Warning

Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchased may be considerably more expensive then insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by law.

The grantor warrants that the proceeds of the loan represented by the above-described note and this trust deed are  
Choose one:

☒ [X] primarily for grantor's personal, family or household purposes.

☐ [ ] for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

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

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

#### GRANTOR(S) SIGNATURE:

Ronald E. Norred  
Ronald E. Norred

Sabrina Norred  
Sabrina Norred

STATE OF OREGON } ss  
County of KLAMATH

This instrument was acknowledged before me on April 19, 2013  
By Ronald E. Norred and Sabrina Norred.



Emily Coe  
Notary Public for OREGON  
My commission expires May 13, 2016

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

**AFFIDAVIT AND INDEMNITY CONSTRUCTION**  
(Existing Construction)

Order No. 0097209

WHEREAS the undersigned Affiant (if more than one, herein collectively called the Affiant) is the owner of the land (the Land) described in that certain Commitment/Title Report (commitment) for Title Insurance issued by AMERITITLE AND THEIR UNDERWRITER (the Company) under Order No. 0097209, for an ALTA Owner's and/or Loan Policy of title insurance (the Policy or Policies),

AND WHEREAS, the Proposed Insured(s) under said Commitment is/are requesting the Company to issue its Policy or Policies with Extended Coverage, and to delete therefrom the General Exceptions,

AND WHEREAS the Affiant acknowledges that the Company would refrain from issuing said Policy or Policies without showing said General Exceptions in the absence of the representations, agreements and undertakings contained herein.

Nothing contained herein shall be construed so as to obligate the Company to issue said Policy or Policies without showing said General Exceptions. However, should the Company do so, it may do so in part in reliance upon the undertakings of the undersigned Affiant and the issuance of the Policy or Policies shall be the consideration for the undertakings contained herein.

NOW THEREFORE the Affiant, being first duly sworn, deposes and says that:

1. Said Land has been owned and/or occupied by the Affiant for 8 years and the Affiant's enjoyment thereof has been peaceable and undisturbed.
2. There are no oral or written leases, tenancies or other occupancies, nor any rights of first refusal or options to purchase said land,  
EXCEPT: \_\_\_\_\_  
If None, check here ☒ (attach list, if necessary, and attach copies of any written agreements)
3. There are no contracts for the making of repairs or for new construction on said Land, nor are there any unpaid bills or claims for labor or services performed or material furnished or delivered during the last 120 days, for alterations, repair work or new construction on said Land, including site preparation, soil tests, site surveys, demolition, etc.,  
EXCEPT: \_\_\_\_\_  
If None, check here ☒
4. The property has not been the subject of any special real property tax deferral program.  
EXCEPT: \_\_\_\_\_  
If None, check here ☒
5. I/We have not pledged or borrowed against any crops or timber located on the described property.

The Affiant hereby agrees (1) to indemnify, protect, defend and save harmless the Company from and against any and all loss, costs, damages, and attorney's fees it may suffer, expend or incur under or by reason, or in consequence of or growing out of any such matters not identified herein, and (2) to defend at the Affiant's own costs and charges on behalf of and for the protection of the Company and of any parties insured or who may be insured against loss by it under said Policy or Policies (but without prejudice to the right of the Company to defend at the expense of the Affiant if it so elects) any and every suit, action or proceeding in which any such matters may be asserted or attempted to be asserted, established or enforced with respect to said land.

IN WITNESS WHEREOF, the undersigned has/have executed this agreement this 19 day of April, 2013.

BORROWER SIGNATURE(S):

Ronald E. Norred  
Ronald E. Norred

Sabrina Norred  
Sabrina Norred

SURVEY AFFIDAVIT

Property described in Preliminary Title Report # 2

The undersigned, Ronald E. Norred and Sabrina Norred, as Owner(s) of the described property, hereby warrant(s) that I/we are not aware of any survey problems such as an encroachment of fences, driveways or other improvements from adjoining property onto the above property.

The undersigned further represent that they are not aware of any boundary disputes with owners of adjoining property.

The undersigned further represent that they have no knowledge of any unrecorded easements or rights of interests by others to the above property nor are they aware of any encroachment of improvements onto easements affecting this property.

If there are any exceptions to the above, please itemize. If there are no exceptions, please so indicate:

None

It is understood that this Affidavit is being executed to induce AmeriTitle to eliminate any survey requirement. If survey problems arise which would have been known to the undersigned, AmeriTitle may pursue all legal remedies available to AmeriTitle against the parties signing this Affidavit to recover any losses sustained by AmeriTitle by reason of the deletion of the survey exception on the aforesaid Mortgage's Policy of Title Insurance.

BORROWER SIGNATURE(S):

Ronald E Norred  
Ronald E. Norred

Sabrina Norred  
Sabrina Norred

State of Oregon  
County of Douglas

This instrument was acknowledged before me on April 19, 2013 by Ronald E. Norred and Sabrina Norred.



Emily Coe  
Notary Public for Oregon  
My commission expires: May 13, 2014

Ref.: RB0708801

SURVEY