

**2013-010888**

**Klamath County, Oregon**

**09/25/2013 12:52:58 PM**

**Fee: \$62.00**

**After Recording Return To:**

Christine P. Brown  
Garvey Schubert Barer  
121 SW Morrison, 11<sup>th</sup> Floor  
Portland, OR 97204

**TRUST DEED**

THIS TRUST DEED, made this 23 day of September 2013, between GLENN JUSTUS, whose address is 4803 Sayler, Klamath Falls, Oregon 97603 (hereinafter referred to as "Grantor"); FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON, whose address is 121 SW Morrison Street, Suite 300, Portland, Oregon 97204 (hereinafter referred to as "Trustee"); and GRETA JUSTUS, Trustee of the JUSTUS FAMILY TRUST u/a/d July 13, 2011, whose address is P.O. Box 295, Aromas, California 95004 (hereinafter referred to as "Beneficiary").

WHEREAS, Grantor is indebted to Beneficiary in the principal amount of Eighty-Two Thousand Dollars (\$82,000.00) as evidenced by that certain Promissory Note dated August 10, 2013 ("Note"), which Note has a maturity date of November 1, 2013.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, and for the purpose of securing the Obligations described in Article 1.1 below, Grantor hereby irrevocably grants, bargains, sells, conveys, assigns, and transfers to Trustee in trust for the benefit and security of Beneficiary, with power of sale, all of Grantor's right, title, and interest in and to the real property located in Klamath County, State of Oregon, and more particularly described in Exhibit A attached hereto and incorporated herein, together with (1) all dwellings, buildings, fixtures and other improvements now or hereafter located thereon, (2) all easements, tenements, hereditaments, and appurtenances relating thereto, (3) all rents, issues and profits thereof, (4) all awards for any taking by eminent domain of all or any portion thereof, and (5) all insurance proceeds for any damage thereto (collectively, "Property").

TO PROTECT THE SECURITY OF THIS TRUST DEED, GRANTOR COVENANTS AND AGREES AS FOLLOWS:

**ARTICLE 1 - Covenants and Warranties of Grantor**

**1.1 Obligations Secured.** This Trust Deed secures the full and prompt payment of the all principal and interest under the Note, and any modification, renewal, replacement or extension of the Note, and the payment and performance of all obligations of Grantor to Beneficiary under this Trust Deed (collectively, the "Obligations"). Grantor shall pay and perform all of the Obligations when due.

**1.2 Property.** Grantor warrants that it holds good and merchantable title to the Property, free and clear of all liens, encumbrances, reservations, restrictions, easements and adverse claims. Grantor covenants that it will forever defend Beneficiary's and Trustee's rights under this Trust deed against the adverse claims and demands of all persons until complete performance on the behalf of the Grantor.

**1.3 Further Assurances.** Grantor shall execute, acknowledge, and deliver, from time to time, such further instruments as Beneficiary or Trustee may require to accomplish the purposes of this Trust Deed.

**1.4 Compliance with Laws.** Grantor represents, warrants, and covenants that the Property is currently in material compliance with, and will at all times be maintained in material compliance with, all applicable laws, ordinances and regulations, and all covenants, conditions, easements, and restrictions affecting the Property.

**1.5 Maintenance and Improvements.** Grantor shall maintain the Property, and every portion thereof, in good repair and condition and in the same condition as it exists as of the date of this Trust Deed. Grantor shall keep the Property free of trash and debris. Grantor shall not commit or suffer any waste or strip of the

Property. Grantor shall, and Grantor shall cause all tenants, employees, agents, contractors and subcontractors of Grantor and any other persons present on or occupying the Property to, keep and maintain the Property in compliance with, and not cause or permit the Property to be in violation of applicable federal, state or local laws, ordinances or regulations.

**1.6 Liens.** Grantor shall pay when due all claims for labor and materials that, if unpaid, might become a lien on the Property. Grantor shall not create or suffer any lien, security interest, or encumbrance on the Property that may be prior to the lien of this Trust Deed. Beneficiary shall not be obligated to consent, or subordinate the lien of this Trust Deed, to any other lien, security interest or encumbrance Grantor may wish to create on the Property.

**1.7 Impositions.** Grantor shall pay when due and before any fine, penalty or interest, all real property taxes, assessments, fees, and other governmental and nongovernmental charges of every nature now or hereafter assessed against any part of the Property or on the lien or estate of Beneficiary or Trustee therein (collectively, the "Impositions"); provided, however, that if by law any such Imposition may be paid in installments, Grantor may pay the same in installments, together with accrued interest on the unpaid balance thereof, as they become due. Grantor shall furnish to Beneficiary promptly upon request satisfactory evidence of the payment of all Impositions.

#### **1.8 Insurance**

**(1) Property and Other Insurance.** Grantor shall obtain and maintain in full force and effect, during the term of this Trust Deed, all risk property insurance together with endorsements for replacement, all in amounts not less than the full replacement cost of all Improvements. In addition, Grantor shall obtain and maintain all such other insurance coverages, which at the time are commonly carried for similar property, in such amounts as Beneficiary may reasonably require.

**(2) Insurance Companies and Policies.** All insurance shall be written by a company or companies reasonably acceptable to Beneficiary and shall contain a loss payable clause in favor of Beneficiary and shall require 30 days' prior written notice to Beneficiary of cancellation or reduction in coverage. Grantor shall forward to Beneficiary, upon request, certificates evidencing the insurance required under this Trust Deed and copies of all policies.

**(3) Assignments of Policies upon Foreclosure.** In the event of foreclosure of the lien of this Trust Deed or other transfer of title, or assignment of the Property in whole or in part, all right, title, and interest of Grantor in and to all policies of insurance shall inure to the benefit of and pass to the successors in interest of Grantor or the purchaser or grantee of all or any part of the Property.

#### **1.9 Casualty**

**(1)** After the occurrence of any casualty to the Property, whether or not required to be insured against as provided in this Trust Deed, Grantor shall give prompt written notice of the casualty to Beneficiary, specifically describing the nature and cause of such casualty and the extent of the damage or destruction to the Property. Beneficiary may make proof of loss if it is not made promptly and to Beneficiary's satisfaction by Grantor.

**(2)** Grantor assigns to Beneficiary all insurance proceeds ("Insurance Proceeds") that Grantor may be entitled to receive with respect to any casualty. Beneficiary may, at its sole option, apply the Insurance Proceeds to the reduction of the Obligations in such order as Beneficiary may determine, or apply all or any portion of the Insurance Proceeds to the cost of restoring and improving the remaining Property. All Insurance Proceeds in excess of the amounts applied to the Obligations by Beneficiary shall be promptly paid to Grantor. In the event that Beneficiary elects to apply the Insurance Proceeds to restoration and improvement, the proceeds shall be held by Beneficiary and shall be released only upon such terms and conditions as Beneficiary shall require in its sole discretion, including but not limited to prior approval of plans and release of liens. No Insurance Proceeds shall be released if Grantor is in default under this Trust Deed.

#### **1.10 Actions to Protect Property.**

If Grantor shall fail to obtain the insurance required by Article 1.8, make the payments required by Article 1.7, or perform or observe any of its other covenants or agreements under this Trust Deed, Beneficiary may, without obligation to do so, obtain or pay the same or take other action that it deems appropriate to remedy such failure. All sums, including reasonable attorney fees, so expended or expended to maintain the lien or estate of this Trust Deed or its priority, or to protect or enforce any of Beneficiary's rights, or to recover any indebtedness secured by this Trust Deed, shall be a lien on the Property, shall be secured by this Trust Deed, and shall be paid by Grantor upon demand, together with interest at the rate applicable to the under the Note. No payment or other action by Beneficiary under this Article 1.10 shall impair any other right or remedy available to Beneficiary or constitute a waiver of any default.

#### **1.11 Condemnation**

(1) Should any part of or interest in the Property be taken or damaged by reason of any public improvement, eminent domain, condemnation proceeding, or in any similar manner (a "Condemnation"), or should Grantor receive any notice or other information regarding such action, Grantor shall give immediate notice of such action to Beneficiary.

(2) Beneficiary shall be entitled to all compensation, awards, and other payments or relief ("Condemnation Proceeds") up to the full amount of the Obligations, and shall be entitled, at its option, to commence, appear in, and prosecute any Condemnation proceeding in its own or Grantor's name and make any compromise in connection with such Condemnation. In the event the Property is taken in its entirety by condemnation, all Obligations secured by this Trust Deed, at Beneficiary's election, shall become immediately due and collectible.

(3) Beneficiary may, at its sole option, apply the Condemnation Proceeds to the reduction of the Obligations in such order as Beneficiary may determine, or apply all or any portion of the Condemnation Proceeds to the cost of restoring and improving the remaining Property. In the event that Beneficiary elects to apply the Condemnation Proceeds to restoration and improvement, the proceeds shall be held by Beneficiary and shall be released only upon such terms and conditions as Beneficiary shall require in its sole discretion, including but not limited to prior approval of plans and release of liens. No Condemnation Proceeds shall be released if Grantor is in default under this Trust Deed.

### **ARTICLE 2 - Events of Default; Remedies**

**2.1 Events of Default.** Each of the following shall constitute an Event of Default under this Trust Deed:

(1) Failure of Grantor to make any payment of principal or interest, or any fees or other charges, owing under the Note within five (5) days of the date due;

(2) Failure to pay or perform any of the other Obligations, perform any other obligation contained in this Trust Deed within twenty (20) days after notice by Beneficiary to Grantor specifying the nature of the nonperformance with reasonable particularity; or

(3) Any sale, gift, conveyance, contract for conveyance, transfer, assignment, encumbrance, pledge, or grant of a security interest in all or any part of the Property, or any interest therein, either voluntarily, involuntarily, or by the operation of law (a "Transfer"), without Beneficiary's prior written consent, shall constitute an Event of Default. The provisions of this Article 2.1(3) shall apply to each and every Transfer, regardless of whether or not Beneficiary has consented or waived its rights in connection with any previous Transfer.

**2.2 Remedies.** If an Event of Default shall occur, Beneficiary or Trustee may exercise any one or more of the following rights and remedies, in addition to any other remedies that may be available by law, in equity, or otherwise:

(1) **Acceleration.** Beneficiary may declare all or any portion of the Obligations immediately due and payable.

(2) **Power of Sale.** Beneficiary may direct Trustee, and Trustee shall be empowered, to foreclose the Property by advertisement and sale under applicable law.

(3) **Foreclosure.** Beneficiary may judicially foreclose this Trust Deed and obtain a judgment foreclosing Grantor's interest in all or any part of the Property.

**2.3 Sale.** In any sale under this Trust Deed or pursuant to any judgment, the Property, to the extent permitted by law, may be sold as an entirety or in one or more parcels and in such order as Beneficiary may elect. The purchaser at any such sale shall take title to the Property or the part thereof so sold, free and clear of the estate of Grantor, the purchaser being hereby discharged from all liability to see to the application of the purchase money. Any person, including Beneficiary, may purchase at any such sale. Beneficiary is hereby irrevocably appointed Grantor's attorney-in-fact, with power of substitution, to make all appropriate transfers and deliveries of the Property or any portions thereof so sold. Nevertheless, Grantor shall ratify and confirm any such sale or sales by executing and delivering to Beneficiary or to such purchaser or purchasers all such instruments requested by Beneficiary for such purpose.

**2.4 Cumulative Remedies.** All remedies under this Trust Deed are cumulative. Any election to pursue one remedy shall not preclude the exercise of any other remedy. No delay or omission in exercising any right or remedy shall impair the full exercise of that or any other right or remedy or constitute a waiver of any Event of Default.

**2.5 Application of Proceeds.** All proceeds from the exercise of the rights and remedies under this Article 2 shall be applied (1) to costs of exercising such rights and remedies; (2) to the Obligations; and (3) the surplus, if any, shall be paid to the clerk of the court in the case of a judicial foreclosure proceeding, otherwise to the person or persons legally entitled thereto.

### **ARTICLE 3 - General Provisions**

**3.1 Time is of the Essence.** Time is of the essence with respect to all covenants and obligations of Grantor under this Trust Deed.

**3.2 Repayment in Full and Reconveyance.** At any time upon the request of Beneficiary, payment of Trustee's fees, if any, and presentation of this Trust Deed, without affecting liability of any persons for the payment of the Obligations, Trustee may 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 facts shall be conclusive proof of the truthfulness thereof.

**3.3 Notice.** Except as otherwise provided in this Trust Deed, all notices shall be in writing and may be delivered by hand, or mailed by first-class certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at its address set forth at the outset of this Trust Deed. Any party may change its address for such notices from time to time by notice to the other parties. Notices given by mail in accordance with this paragraph shall be deemed to have been given upon the date of mailing; notices given by hand shall be deemed to have been given when actually received.

**3.4 Substitute Trustee.** Beneficiary may at any time substitute one or more trustees to execute the trust hereby created, and the new trustee(s) shall succeed to all the powers and duties of the prior trustee(s).

**3.5 Successors and Assigns.** This Trust Deed shall be binding on and inure to the benefit of the heirs, legatees, personal representatives, successors, and assigns of Grantor, Trustee, and Beneficiary.

**3.6 Indemnity.** Grantor shall hold Beneficiary and Trustee and their respective directors, officers, employees, agents, and attorneys, harmless from and indemnify them for any and all claims, demands, damages, liabilities, and expenses, including but not limited to attorney fees and court costs, arising out of or in connection with Trustee's or Beneficiary's interest under this Trust Deed, or Grantor's failure to perform any obligations.

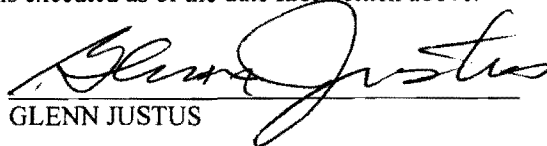
**3.7 Expenses and Attorney Fees.** If Beneficiary refers any of the Obligations to an attorney for collection or seeks legal advice following a default; if Beneficiary is the prevailing party in any litigation instituted in connection with any of the Obligations; or if Beneficiary or any other person initiates any judicial or nonjudicial action, suit, or proceeding in connection with any of the Obligations or the Property (including but not limited to proceedings under federal bankruptcy law, eminent domain, under probate proceedings, or in connection with any state or federal tax lien), and an attorney is employed by Beneficiary to (1) appear in any such action, suit, or proceeding, or (2) reclaim, seek relief from a judicial or statutory stay, sequester, protect, preserve, or enforce Beneficiary's interests, then in any such event Grantor shall pay reasonable attorney fees, costs, and expenses incurred by Beneficiary or its attorney in connection with the above-mentioned events or any appeals related to such events, including but not limited to costs incurred in searching records, the cost of title reports, and the cost of surveyors' reports. Such amounts shall be secured by this Trust Deed and, if not paid upon demand, shall bear interest at the rate specified in the Note

**3.8 Applicable Law.** This Trust Deed shall be governed by the laws of the state of Oregon.

**3.9 "Person" Defined.** As used in this Trust Deed, the word "person" shall mean any natural person, partnership, trust, corporation, or other legal entity of any nature.

**3.10 Severability.** If any provision of this Trust Deed shall be held to be invalid, illegal, or unenforceable, the other provisions of this Trust Deed shall not be affected.

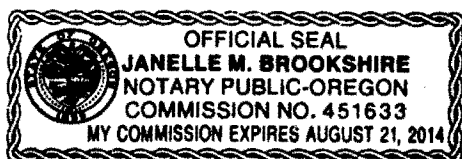
IN WITNESS WHEREOF, this Trust Deed is executed as of the date first written above.

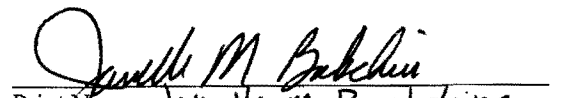
  
GLENN JUSTUS

STATE OF OREGON )  
COUNTY OF Klamath )

On September 23, 2013, before me, Janelle M Brookshire, a Notary Public in and for said State, personally appeared GLENN JUSTUS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same freely and voluntarily in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

DATED this 23<sup>rd</sup> day of September, 2013.



  
Print Name: Janelle M Brookshire  
NOTARY PUBLIC in and for the State of Oregon,  
residing at 6450 Galpin Lane  
Klamath Falls OR 97603  
My commission expires: August 21, 2014

## **EXHIBIT A**

### **Legal Description**

Lots 21 and 22 of Evergreen Meadows – Tract 1302, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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