

**After recording return to:**

Bend-Redmond Habitat for Humanity  
22 NE Thurston Ave  
Bend, Oregon 97701  
Attn: Dee Dee Johnson

Trust Deed for the Affordability  
Second (updated 4-20-2019)

**Beneficiary's name and address:**

Bend-Redmond Habitat for Humanity  
22 NE Thurston Ave  
Bend, Oregon 97701

**Tax account number of the property:**

**TRUST DEED**

This Trust Deed ("Trust Deed") is made by \_\_\_\_\_ ("Grantor"), whose address is \_\_\_\_\_, Bend, OR 97701 in favor of Western Title & Escrow Co., an Oregon corporation ("Trustee"), whose address is 360 SW Bond St., Bend, OR 97702, for the benefit of Bend Area Habitat for Humanity, an Oregon nonprofit corporation ("Beneficiary"), whose address is 1860 NE 4<sup>th</sup> Street, Bend, Oregon 97701.

1. DEFINITIONS

1.1 Capitalized Terms. Unless defined elsewhere in this Trust Deed, capitalized terms used in this Trust Deed will have the meanings ascribed to them in the attached Schedule 1.1.

1.2 ORS Chapter 86. Unless the context clearly indicates otherwise, terms used in this Trust Deed that are defined in ORS Chapter 86 will have the meanings ascribed to them in ORS Chapter 86.

2. SECURITY; TRANSFER

2.1 Security. As security for the full and prompt payment and performance of the Obligations, Grantor transfers and assigns to Trustee in trust for the benefit of Beneficiary, with power of sale, all of Grantor's right, title, and interest in and to the real property located at \_\_\_\_\_, Bend, OR 97701, as more particularly described on the attached Exhibit A, together with all improvements, fixtures, and personal property now or hereafter located on or about such property (collectively, the "Trust Property").

2.2 Recording and Perfection. Beneficiary may record this Trust Deed in the Official Records of Deschutes County, OR. Upon Trustee's or Beneficiary's request, Grantor will take any actions that Trustee or Beneficiary deems reasonably necessary to perfect and continue Trustee's and Beneficiary's rights under this Trust Deed. Grantor will pay all of the fees, costs, and expenses of recording this Trust Deed and any other document that Trustee or Beneficiary deems reasonably necessary to perfect and continue Trustee's and Beneficiary's rights under this Trust Deed.

2.3 Reconveyance. Within 30 days after the full payment and performance of the Obligations, Beneficiary must deliver a written request to Trustee to reconvey the Trust Property to

Grantor. Within 30 days after Beneficiary delivers the written request to reconvey to Trustee, Trustee must reconvey the Trust Property to Grantor.

### 3. REPRESENTATIONS AND WARRANTIES OF GRANTOR

Grantor represents and warrants to Beneficiary as follows:

3.1 Authority. Grantor has full power and authority to sign and deliver this Trust Deed and to perform all of Grantor's obligations under this Trust Deed.

3.2 Binding Obligation. This Trust Deed is the legal, valid, and binding obligation of Grantor, enforceable against Grantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

3.3 No Conflicts. The signing and delivery of this Trust Deed by Grantor and the performance by Grantor of all of Grantor's obligations under this Trust Deed will not: (a) breach any agreement to which Grantor is a party, or give any person the right to accelerate any obligation of Grantor; (b) violate any law, judgment, or order to which Grantor is subject; or (c) require the consent, authorization, or approval of any person, including but not limited to any governmental body.

3.4 Title to Trust Property. Grantor has good title to the Trust Property, free from all Encumbrances except Permitted Encumbrances.

3.5 No Material Adverse Change. Grantor has no Knowledge of any facts or circumstances that will likely result in a material adverse change in the financial condition of Grantor.

3.6 Nonforeign Person. Grantor is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code.

### 4. COVENANTS OF GRANTOR

Grantor covenants to Beneficiary that Grantor will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

4.1 Obligations. Grantor will fully and promptly pay and perform the Obligations when due.

4.2 Trust Property. Grantor will keep the Trust Property free from all Encumbrances except Permitted Encumbrances. Grantor will defend Trustee's and Beneficiary's rights under this Trust Deed against the adverse claim of any person. Grantor will keep the Trust Property in good repair and condition, reasonable wear and tear excepted, and will not commit or permit any waste of the Trust Property. Grantor will not remove, demolish, or materially alter any improvement on the Trust Property except with the prior written consent of Beneficiary, in connection with the replacement of an improvement with an improvement of equal or greater value. Grantor will not initiate, support, or consent to any rezoning of the Trust Property or any change in any public or private covenant, condition, or restriction relating to the use of the Trust Property.

4.3 Notification. Grantor will promptly notify Beneficiary if any of the following occurs: (a) any material loss or damage with respect to the Trust Property, whether or not the loss or damage is

covered by insurance; (b) any material adverse change in the financial condition of Grantor; or (c) an Event of Default.

4.4 Inspection. Upon Beneficiary's request, Grantor will permit Beneficiary to inspect the Trust Property.

4.5 Compliance with Laws. Grantor will comply with all applicable laws relating to the ownership and use of the Trust Property including, without limitation, the Bend Area Habitat for Humanity Declaration of Covenants, Conditions, and Restrictions.

4.6 Environmental. Grantor will comply with all applicable Environmental Laws relating to the Trust Property. Grantor will comply with the terms and conditions of each judgment and order relating to any Environmental Law relating to the Trust Property to which Grantor is subject. Grantor will not cause or permit any Hazardous Substance to be present on or to be spilled, discharged, or otherwise released on or into the Trust Property. Grantor will fully and promptly pay and perform all of Grantor's obligations arising out of any Environmental Law relating to the Trust Property. Grantor will comply with the terms and conditions of any contract, settlement agreement, or other similar arrangement that requires or may require Grantor to have any liability or obligation of any kind arising out of any Environmental Law relating to the Trust Property.

4.7 Insurance. Grantor will obtain and maintain during the term of this Trust Deed all-risk property insurance in an amount not less than the unpaid portion of the purchase price for the Trust Property under the Purchase and Sale Agreement or, if greater, in the amount of the full replacement cost of the Trust Property, without reduction for coinsurance. All insurance will be written by a company or companies reasonably acceptable to Beneficiary; will contain a long-form mortgagee endorsement in favor of Beneficiary with proceeds under any policy payable to Beneficiary, subject to the terms of this Trust Deed; will require 10 days' prior written notice to Beneficiary of cancellation or reduction in coverage; and will contain a waiver of subrogation. Grantor will furnish to Beneficiary on request a certificate evidencing the coverage required under this Trust Deed and a copy of each policy.

4.8 Taxes. Grantor will file on a timely basis all tax returns and reports required to be filed by applicable laws. All of Grantor's filed tax returns will be complete and accurate in all material respects. Grantor will pay – or make provision for the payment of – all taxes that become due for all periods. Grantor will promptly notify Beneficiary if any taxing authority asserts – or informs Grantor that it intends to assert – any deficiency in the payment of any taxes by Grantor. Grantor will not seek any extension of time within which to file a tax return.

4.9 Prohibited Actions. Grantor will not: (a) disturb the peace and tranquility of the neighborhood in which the Trust Property is located; the generation of excessive and unnecessary noise and raucous behavior by individuals and other sources attributable to Grantor or a visitor of Grantor will be deemed to constitute a violation of this Section 4.9; (b) occupy, use, or permit the Trust Property, or any part thereof to be used for any purpose other than a private residence of Grantor or Grantor's family; (c) violate, or allow any other person present on the Trust Property to violate, the Oregon Criminal Code (as set forth in ORS Chapters 162-167), or any other law or regulation.

## 5. DAMAGE OR DESTRUCTION

Grantor will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

5.1 Assignment of Proceeds. Grantor assigns and transfers to Beneficiary all of Grantor's rights to receive insurance proceeds under all insurance policies that provide coverage to Grantor for the Trust Property.

5.2 Application of Proceeds. If any damage or destruction occurs with respect to the Trust Property, and if Beneficiary receives any insurance proceeds under any insurance policy that provides coverage to Grantor for the Trust Property: (a) Beneficiary may hold the proceeds as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 5.2; and (b) Beneficiary may, in Beneficiary's sole discretion, apply the proceeds: (1) to the Obligations, whether or not the Obligations are then due; or (2) to the cost and expense of restoring the portion of the Trust Property that was damaged or destroyed, subject to any conditions that Beneficiary deems reasonably necessary to ensure that the Trust Property is properly restored, including but not limited to holding the proceeds until the restoration is complete.

## 6. CONDEMNATION

Grantor will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

6.1 Notice. Grantor will promptly notify Beneficiary if all or any portion of the Trust Property is condemned or threatened with condemnation. The notice will include a copy of all correspondence relating to the condemnation or the threat that Grantor received from any third party.

### 6.2 Proceeding.

(a) Beneficiary may elect to control the condemnation matter described in Grantor's notice by notifying Grantor within 20 days after the delivery of Grantor's notice. If Beneficiary elects to control the condemnation matter within the 20-day period after the delivery of Grantor's notice: (1) Beneficiary may institute a condemnation proceeding, in which case: (A) Beneficiary must diligently prosecute the proceeding, with counsel reasonably satisfactory to Grantor; and (B) Grantor may participate in the prosecution of the proceeding, at Grantor's own cost and expense; and (2) Beneficiary may settle the matter with the consent of Grantor, which Grantor may not withhold unreasonably.

(b) If Beneficiary does not elect to control the condemnation matter within the 20-day period after the delivery of Grantor's notice: (1) Grantor may institute a condemnation proceeding, in which case: (A) Grantor will diligently prosecute the proceeding, with counsel reasonably satisfactory to Beneficiary; and (B) Beneficiary may participate in the prosecution of the proceeding, at Beneficiary's own cost and expense; and (2) Grantor may settle the matter with the consent of Beneficiary, which Beneficiary may not withhold unreasonably.

(c) In any condemnation proceeding that is subject to the provisions in this Section 6.2, Grantor and Beneficiary will keep each other fully informed of the status of the proceeding, cooperate with each other with respect to the prosecution of the proceeding, and attempt to preserve

in full any attorney-client and work-product privileges and the confidentiality of any confidential information.

6.3 Assignment of Compensation. Grantor assigns and transfers to Beneficiary all of Grantor's rights to receive compensation as a result of any condemnation of all or any portion of the Trust Property.

6.4 Application of Compensation. If all or any portion of the Trust Property is condemned, and if Beneficiary receives any compensation as a result of the condemnation: (a) Beneficiary may hold the compensation as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 6.4; and (b) Beneficiary may, in Beneficiary's sole discretion, apply the compensation: (1) to the Obligations, whether or not the Obligations are then due; or (2) to the cost and expense of restoring or improving the remaining portion of the Trust Property, if any, subject to any conditions that Beneficiary deems reasonably necessary to ensure that the remaining portion of the Trust Property is properly restored or improved, including but not limited to holding the proceeds until the restoration or improvement is complete.

## 7. PAYMENT OF TAXES AND OTHER CHARGES BY BENEFICIARY

Whenever Grantor fails to pay when due any taxes, assessments, insurance premiums, or other charges necessary to be paid for the protection of Trustee's and Beneficiary's rights under this Trust Deed, Beneficiary may pay the same. Such payments will be added to the Obligations, and will bear interest at an annual rate of eight percent (8%).

### **BENEFICIARY'S WARNING TO GRANTOR**

Unless you [Grantor] provide us [Beneficiary] 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 be 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 purchase may be considerably more expensive than 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 applicable law.

## 8. DEFAULTS AND REMEDIES

8.1 Events of Default. Each of the following events is an Event of Default: (a) Grantor fails to make any payment Obligation when due; (b) Grantor fails to perform any non-payment Obligation within 20 days after Beneficiary notifies Grantor of the failure to perform the Obligation when due; (c)

any representation or warranty made by Grantor in this Trust Deed is found to have been untrue or misleading in any material respect as of the date of this Trust Deed; (d) an Encumbrance other than a Permitted Encumbrance attaches to the Trust Property; (e) any Transfer of the Trust Property or any interest in the Trust Property to any person other than Trustee or Beneficiary, unless the Transfer is expressly permitted by this Trust Deed; (f) any material loss or damage with respect to the Trust Property occurs that is not covered by insurance; (g) any material portion of the Trust Property is condemned; (h) Grantor fails to pay, becomes insolvent or unable to pay, or admits in writing an inability to pay Grantor's debts as they become due, or makes a general assignment for the benefit of creditors; (i) a proceeding with respect to Grantor is commenced under any applicable law for the benefit of creditors, including but not limited to any bankruptcy or insolvency law, or an order for the appointment of a receiver, liquidator, trustee, custodian, or other officer having similar powers over Grantor or the Trust Property is entered; (j) an event of default occurs under any agreement evidencing or securing the payment or performance of any of the Obligations; (k) Grantor materially breaches any agreement that is material to Grantor's financial condition, and fails to cure the breach within 20 days after any person notifies Grantor of the breach; and (l) the occurrence of any event that has or may reasonably be expected to have a material adverse effect on Grantor's financial condition or Grantor's ability to pay and perform the Obligations.

8.2 Remedies. On and after an Event of Default, Beneficiary may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently: (a) unless prohibited by law, upon notice to Grantor, the right to accelerate the due dates of the Obligations so that the Obligations are immediately due, payable, and performable in their entirety; (b) upon notice to Grantor, the right to take possession, control, and charge of the Trust Property; (c) the right to institute an action to appoint a receiver to take charge of the Trust Property; (d) the right to institute an action to obtain a temporary restraining order; (e) upon notice to Grantor, the right to pay and perform any of the Obligations; (f) any remedy available to Beneficiary under any agreement evidencing or securing the payment or performance of any of the Obligations; (g) any remedy available to Beneficiary under ORS Chapter 86, including but not limited to the foreclosure of this Trust Deed by advertisement and sale in the manner provided in ORS 86.705 to ORS 86.795; (h) the right to foreclose this Trust Deed as provided by law for the foreclosure of mortgages on real property; and (i) any other remedy available to Beneficiary at law or in equity.

8.3 Possession and Protection of Trust Property.

(a) If Beneficiary or a receiver takes possession, control, or charge of the Trust Property after an Event of Default, Grantor will peacefully relinquish possession of the Trust Property upon Beneficiary's or the receiver's request.

(b) Any payments made or indebtedness incurred by Beneficiary or the receiver in connection with protecting the Trust Property will be added to the Obligations, and will bear interest at an annual rate of eight percent (8%).

(c) If Beneficiary or the receiver receives any rent or other payments after taking possession, control, or charge of the Trust Property: (1) Beneficiary may hold the payments as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 8.3(c); and (2) Beneficiary may, in Beneficiary's sole discretion, apply the payments: (A) to the Obligations, whether or not the Obligations are then due; and/or (B) to the cost and expense of protecting the Trust Property.

8.4 Sale of Trust Property. After an Event of Default, Trustee may sell the Trust Property at auction to the highest bidder for cash. Any person, including Beneficiary, but excluding Trustee, may bid at the sale. The attorney for Trustee, or any agent designated by Trustee or the attorney, may conduct the sale and act in the sale as the auctioneer of Trustee.

8.5 Proceeds of Sale of Trust Property. After an Event of Default and a sale of the Trust Property by Trustee, Trustee must apply the proceeds of the sale as follows: (a) to the expenses of the sale, including the compensation of Trustee, and a reasonable charge by the attorney for Trustee; (b) to the Obligations; (c) to all persons having recorded liens subsequent to the interest of Trustee in this Trust Deed as their interests may appear in the order of their priority; and (d) the surplus, if any, to Grantor or to the successor in interest of Grantor entitled to such surplus.

8.6 No Obligation to Pay or Perform. Beneficiary has no obligation to pay or perform any Obligation.

8.7 Sweat Equity. Following an Event of Default, Grantor will not be entitled to compensation for any "sweat equity" which Grantor may have completed as required under the Purchase and Sale Agreement.

## 9. RELEASE, INDEMNIFICATION, AND WAIVERS

9.1 Release and Indemnification. Grantor releases and will defend and indemnify Trustee and Beneficiary for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of: (a) any action that Trustee or Beneficiary takes to perfect or continue Trustee's and Beneficiary's rights under this Trust Deed; or (b) the exercise of any remedy available to Beneficiary under this Trust Deed, without regard to cause or the negligence of Trustee, Beneficiary, or any other person.

9.2 Waiver by Grantor. Grantor waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Beneficiary may amend any agreement evidencing, guaranteeing, or securing any of the Obligations or extend or postpone the due dates of the Obligations without affecting Grantor's liability.

9.3 No Waiver by Beneficiary. No waiver will be binding on Beneficiary unless it is in writing and signed by Beneficiary. Beneficiary's waiver of a breach of a provision of this Trust Deed or any agreement evidencing, guaranteeing, or securing any of the Obligations will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. Beneficiary's failure to exercise any remedy under this Trust Deed or any agreement evidencing, guaranteeing, or securing any of the Obligations will not be considered a waiver by Beneficiary of Beneficiary's right to exercise the remedy.

## 10. ENVIRONMENTAL INDEMNIFICATION

10.1 Indemnification. Grantor will defend and indemnify Trustee and Beneficiary and each present and future shareholder, director, officer, agent, employee, and authorized representative of Trustee and Beneficiary for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to

reasonable attorney's fees, resulting from or arising out of Grantor's breach of any representation, warranty, covenant, or other obligation of Grantor in Section 4.6.

10.2 Survival. All representations, warranties, covenants, and other obligations of Grantor in Section 4.6 and Section 10.1 will survive the reconveyance of the Trust Property to Grantor and the foreclosure of this Trust Deed.

## 11. SUCCESSOR TRUSTEE

At any time, Beneficiary may appoint in writing a successor Trustee. If the appointment of the successor Trustee is recorded in the real property records in Deschutes County, OR, the successor Trustee will be vested with all the powers of the original Trustee.

## 12. GENERAL

### 12.1 ORS 93.040 Warning.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

12.2 Notices. All notices or other communications required or permitted by this Trust Deed: (a) must be in writing; (b) must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other parties; and (c) are considered delivered: (1) upon actual receipt if delivered personally, by fax, or by a nationally recognized overnight delivery service; or (2) at the end of the third business day after the date of deposit in the United States mail, postage pre-paid, certified, return receipt requested.

12.3 Governing Law; Venue. This Trust Deed is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Trust Deed. Any action or proceeding arising out of this Trust Deed will be litigated in courts located in Deschutes County, OR. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, OR.

12.4 Attorney's Fees. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Trust Deed, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees,



costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

12.5 Miscellaneous. Time is of the essence with respect to all dates and time periods in this Trust Deed. Grantor may not assign or delegate any of Grantor's rights or obligations under this Trust Deed to any person without the prior written consent of Beneficiary, which Beneficiary may withhold in Beneficiary's sole discretion. This Trust Deed will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Trust Deed may be amended only by a written document signed by the party against whom enforcement is sought. If a provision of this Trust Deed is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Trust Deed will not be impaired. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Trust Deed. Any exhibits, schedules, and other attachments referenced in this Trust Deed are part of this Trust Deed. The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently. This Trust Deed contains the entire understanding of the parties regarding the subject matter of this Trust Deed and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Trust Deed.

Dated effective:

**GRANTOR:**

\_\_\_\_\_  
(Homeowner)

State of Oregon                    )  
  )    ss.  
County of \_\_\_\_\_            )

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
\_\_\_\_\_ (Grantor).

\_\_\_\_\_  
Notary Public for Oregon  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

## SCHEDULE 1.1

### Definitions

“Encumbrance” means any lien, mortgage, pledge, security interest, or other encumbrance.

“Environmental Law” means any law designed to minimize, prevent, punish, or remedy the consequences of actions that damage or threaten the environment or public health and safety.

“Event of Default” means any event specified in Section 8.1.

“Hazardous Substance” means any hazardous or toxic substance, material, or waste, including but not limited to: (a) any hazardous or toxic substance, material, or waste that is defined as such under any Environmental Law; and (b) petroleum, petroleum products, asbestos, presumed asbestos-contaminating materials, asbestos-contaminating materials, urea formaldehyde, and polychlorinated biphenyls.

“Initial Equity” means the amount of \$2,802.64 which, pursuant to the Purchase and Sale Agreement, is payable in full to Beneficiary upon the transfer of all or any part of Grantor’s interest in the Trust Property to a third party.

“Knowledge” means, with respect to Grantor, the actual knowledge of Grantor, and any knowledge that Grantor would have obtained if Grantor had conducted a reasonably comprehensive investigation of the relevant matter.

“Note” means, the promissory note in the principal amount of \$66,390 dated as of the date hereof made by Grantor in favor of Beneficiary.

“Obligations” means all present and future obligations owed by Grantor to Beneficiary under: (i) the Note; (ii) the Purchase and Sale Agreement, including, without limitation, Grantor’s obligation to pay the Initial Equity, Subordinate Affordability Promissory Note, Subordinate Interest Promissory Note; (iii) the Right of First Offer Agreement; and (iv) this Trust Deed.

“Permitted Encumbrances” means: (a) Encumbrances in favor of Trustee or Beneficiary; (b) Encumbrances arising by operation of law for taxes, assessments, or government charges not yet due; and (c) statutory Encumbrances for services or materials for which payment is not yet due.

“Purchase and Sale Agreement” means the Purchase and Sale Agreement dated as of the date hereof between Grantor and Beneficiary.

“Right of First Offer and Shared Appreciation Agreement” means the Right of First Offer and Shared Appreciation Agreement dated as of the date hereof between Grantor and Beneficiary.

“Subordinate Affordability Promissory Note” means the amount of \$13,156.50 which, pursuant to the Purchase and Sale Agreement, is payable in full to Beneficiary upon the transfer of all or any part of Grantor’s interest in the Trust Property to a third party.

“Subordinate Interest Promissory Note” means the amount of \$65,261.84 which, pursuant to the Purchase and Sale Agreement, is payable in full to Beneficiary upon the transfer of all or any part of Grantor’s interest in the Trust Property to a third party.

“Transfer” means: (a) any transfer other than a Permitted Encumbrance, including but not limited to any sale, exchange, gift, other Encumbrance, foreclosure of an Encumbrance, or attachment, regardless of whether the transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence; and (b) any contract involving the ownership or use of the Trust Property.

SAMPLE

EXHIBIT A

Property Address:

\_\_\_\_\_, Bend, OR 9770-

Legal Description:

\_\_\_\_\_, Deschutes County, Oregon

SAMPLE