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TRUST DEED

THIS TRUST DEED, made this 27th day of December  
CLAUDE L. MAGILL and LOREEN M. MAGILL, husband and wife

as Grantor, MOUNTAIN TITLE COMPANY, INC.

TARA ENTERPRISES  
as Beneficiary,

WITNESSETH:

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

Lot 2 in Block 2, DODDS HOLLOW ESTATES, TRACT 1218, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

\*\*The beneficiary named herein hereby gives the Grantor the option to renew this Trust Deed and Note on December 31, 1986, for an additional 5 years with the rate of interest to be changed to the rate being charged by U.S. National Bank of Oregon on their 90% Real Estate loans at that time.

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 THIRTY-SIX THOUSAND FIVE HUNDRED AND NO/100 Dollars with interest thereon according to the terms of a promissory

sum of THIRTY-SIX THOUSAND FIVE HUNDRED AND NO/100 ----- 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 said note is to be due and payable ----- December 11, 19 86 ----- the date stated above, on which the final installment of said note

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.

The above described real property is not currently used for agricultural, timber or grazing purposes.

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.

[illegible]

4. To provide and continuously maintain insurance of the building 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 \$ 100,000.

[illegible]

5. To keep said premises free from construction liens and to pay a 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, liens or other charges payable by grantor, either

to beneficiary; should the grantor make any payments, insurance premiums, liens or other charges payable by grantor, such payments, insurance premiums, liens or other charges shall be paid by grantor by direct payment or by providing beneficiary with funds with which to make such payment; beneficiary may, at its option, make payment thereon and the amount so paid, with interest at the rate set forth in the note securing the amount so paid, shall be paid to beneficiary in accordance with paragraphs 6 and 7 of the

and the amount so paid, with interest at the rate set forth in the trust deed, together with the obligations described in paragraphs 6 and 7 of the trust deed, shall be added to and become a part of the debt secured by the trust deed, without waiver of any rights arising from breach of any of the provisions of the trust deed for such payments, with interest as aforesaid, the proceeds of the sale of the property of the trust.

trust deed, without waiver of any of the provisions hereof and for such payments, with interest as aforesaid, the provisions hereof shall be binding on the Grantor, shall be bound to the same extent that they are bound for the payment of the obligation hereinafter described, and all such payments shall be immediately due and payable with interest at the rate of six per cent. per annum at the option of the beneficiary.

described, and all such payments shall be immediately made to the beneficiary named in our notice, and the nonpayment thereof shall, at the option of the beneficiary named in our notice, render all sums secured by this trust deed immediately due and payable and shall 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 trust's and attorney 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 such action or proceeding in which the beneficiary or trustee may appear, including the foreclosure of this deed, to pay all costs and expenses.

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, amount of attorney's fees mentioned in this paragraph 7 in all cases shall be by the trial court and in the event of an appeal from any judgment rendered by the trial court and in the event of an appeal to pay said sum as the

by the trial court and in the event of an appeal, the  
 deuce 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 attor-  
 ney's fees on such appeal.

8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right to elect, to require that all or any portion of the monies payable by the Government, which are in excess of the amount required

right, it is to effect, to require that all or any portion of the sum of money so received by the grantor shall be paid by the grantor, or by the trustee, to the attorney-in-fact, or to the attorney-in-fact's firm, as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily incurred by grantor in such proceedings, shall be paid to beneficiary.

applied by it first upon any reasonable costs and expenses and then upon the balance of the fund secured hereby; and grantor agrees, at its own expense, to take such action as may be necessary in claiming such

9. At any time and from time to time upon written request of beneficiary, grantor agrees, at its cost, to execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

(a) granting to the making of any map or plat of said property; (b) join in any covenant, an easement or creating any restriction thereon; (c) join in any subdivision or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property, the grantee in any reconveyance may be described as "person or persons granted in full satisfaction of the indebtedness of any matters or facts shall legally entitled thereto," and the recitals thereof, of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the above shall not be less than \$5.

[illegible]

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, the beneficiary may declare all sums secured hereby immediately due and payable. In such event the beneficiary or his elect may accept to foreclose this trust deed or in equity as a mortgage. In the latter event the beneficiary or the trustee shall advise the Grantor and cause to be recorded his written notice of default and foreclosure to the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall foreclose to foreclose this trust deed and thereaf as then required by law and the provisions of the California Civil Code (ORS 86.340 to 86.795).

13. Should the beneficiary elect to foreclose by advertisement and sale then after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged to foreclose for the trustee's sale, the grantor or his successors in interest, together with ORS §6.760, may pay to the beneficiary or his successors in interest, together with the entire amount due under the terms of the trust deed and the entire amount of the beneficiary's interest in the property, together with the interest thereon, together with the costs and expenses actually incurred by the beneficiary or his successors in interest in enforcing the terms of the obligation and trustee's and grantor's fees not exceeding the amounts provided by law for such occurrence, and thereby cure the default, in which event no foreclosure proceedings shall be dismissed or the foreclosure proceedings shall be stayed until the time for the foreclosure sale.

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 or more separate parcels and shall sell the parcel or parcels to the highest bidder for cash, payable at the time of sale. The trustee has no obligation to the highest bidder for cash, payable at the time of sale, to deliver to the purchaser its deed, any covenant or warranty, express or implied, in connection with the sale of the property, but the trustee shall deliver to the purchaser in the deed of any matters of fact shall be considered by the court in the event of a suit by the purchaser, but including the truthfulness thereof. Any person, except the trustee, who bids, shall be bound to purchase the property sold.

15. When trustor sells pursuant to the powers provided herein, trustor shall apply the proceeds of sale to payment of (1) the expenses of sale, (2) the compensation of the trustee and a reasonable charge by trustee or attorney, (3) the obligation secured by the trust deed, (3) to the balance of the proceeds subsequent to the interest of the trustee in the trust deed as their interest may appear in the order of their priority and (4) if there is no recorded lien subsequent to the interest of the trustee in the trust deed as to any, to the grantor or to his successor in interest entitled to succeed to it.

18. If, for any reason permitted by law, beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any trustee named herein as a successor to a trustee named herein, and with the same effect as if named as a successor, transfer appointed hereunder. Upon such appointment, the trust shall be vested with all the property and interests therein conveyed to the trust by the instrument of conveyance to the successor trustee appointed upon any trustee herein named or appointed as a successor to a trustee herein named, and the trust shall be continued hereunder. Each such appointment and substitution shall be binding upon the trust hereunder. This power of appointment shall be exercisable by the trustee by a trust instrument executed by beneficiary.

19. This instrument shall be recorded in the office of the County Clerk of the county of the county or counties in which the property is situated.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is obligated to notify any party hereto of pending sale under any other deed of record which contains a similar sale, beneficiary or trustee.

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 696.505.

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.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are: (a)\* primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below).

(b) Not an individual or a foreign trust or estate, but a partnership, corporation, or other entity.

*This deed applies to, inures 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.

\* **IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary **MUST** comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a **FIRST** lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is **NOT** to be a first lien, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice.

If the signer of the above is a corporation,  
use the form of acknowledgment enclosed.

STATE OF OREGON, )  
County of Klamath ) ss.  
December 11 1981

Personally appeared the above named  
CLYDE I. MAGILL and LOREEN M.  
MAGILL, husband and wife

and acknowledged the foregoing instru-  
ment to be their voluntary act and deed.

(OFFICIAL SEAL) Before me, Kristi L. Garrison  
Notary Public for Oregon

My commission expires: 6/19/83

108, 75, 49, 31

STATE OF OREGON, County of \_\_\_\_\_ ) ss.  
 \_\_\_\_\_ 19\_\_\_\_

Personally appeared \_\_\_\_\_ and \_\_\_\_\_

duly sworn, did say that the former is the president and that the latter is the secretary of

*a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.*

Before me:

Notary Public for Oregon

*My commission expires:*

(OFFICIAL  
SEAL.)

## REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You her-by are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to

DATED: \_\_\_\_\_, 19\_\_\_\_

### Beneficiary

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.

# TRUST DEED

(FORM No. 881-1)

MILNERS &amp; LAW, PUBL. CO., PUBLISHED FOR

Mr. & Mrs. Clyde L. Magill

Grantor

**Teca Enterprises**

**Beneficiary**

- AFTER RECORDING RETURN TO

MOUNTAIN TITLE COMPANY, INC.

STATE OF OREGON, }  
County of Klamath } ss.

I certify that the within instrument was received for record on the 14 day of December, 1981, at 2:27 o'clock P M., and recorded in book reel volume No. M 81 on page 21342 or as document/fec./file/instrument/microfilm No. 7390. Record of Mortgages of said County.

Witness my hand and seal of  
County affixed.

Evelyn Biehn County Clerk

NAME: George M. Thure TITLE: Deputy  
By: George M. Thure Fee: \$4.00