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1-21-94 ATT-12 RCVD

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THIS TRUST DEED, made this

John T. McDonald and Vicki MacDonald

(husband and wife)

Mountain Title Co.

Karen Nelson

day of October 1994, between

1994

as Grantor,

as Trustee, and

as Beneficiary,

## WITNESSETH:

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

The N 1/2 S 1/2 SW 1/4 NE 1/4, Section 5, Township  
25 South, Range 8 East of the Willamette Meridian  
Klamath County, Oregon

Tax Account No. 2508-500-600

together with all and singular the fixtures, improvements and appurtenances and all other rights thereto belonging or in anywise now or hereafter appearing, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE OF each agreement of grantor herein contained and payment of the sum of

Ten thousand dollars and no/100

note of even date herewith, payable to beneficiary or trustee and made by grantor, the full payment of principal and interest hereof, if not sooner paid, to be due and payable at the

per term(s) of note.  
The date of maturity, if this instrument is the date, stated above, on which the final installment of the note becomes due and payable. It shall be granted without agrees, except so, or actually sold, convey, or assign all (or any part) of the property or all (or any part) of what's interest in it without notice of the written consent or approval of the beneficiary, then, of the beneficiary's option, all obligations created by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable. The execution by grantor of an earnest money agreement\*\* does not constitute a sale, conveyance or assignment.

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

- To protect, preserve and defend the property in good condition and repair; not to remove or demolish any building or improvement thereon; not to do waste or permit any waste of the property.
- To complete or repair any work and to keep and maintain condition any building or improvement which may be constructed, damaged or destroyed thereof, and pay for same.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary is not in the Uniform Commercial Code as the beneficiary may require and as well as the cost of all legal expenses made by the attorney or searching

agents by fire and such other damage as is the responsibility of the beneficiary; shall be delivered to the beneficiary as soon as incurred; if it is greater than one-half of the amount collected and paid by the beneficiary upon any indebtedness secured hereby and a such order as beneficiary may direct, or in case of bankruptcy or insolvency of the grantor. Such application or retention shall not cure or waive any default or notice of default hereunder or terminate any action or notice of default hereunder.

4. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed against the property before any part of the taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to the beneficiary; shall be delivered to the beneficiary full to make payment of any taxes, assessments, insurance premiums, costs of collection, attorney's fees and other expenses connected therewith by providing funds with which to make such payment, if the beneficiary may, at his option, secure hereby, together with the amount of the debt secured by this trust deed, with interest as aforesaid, the property described in paragraph 3 above, as aforesaid, and the amount of any such payment to be added to and become a part of the debt secured by this trust deed, with interest as aforesaid, as well as the grantor, shall be bound to the same terms that they are herein described, and all such payments shall be immediately due and payable without notice, demand or retention, or release shall not cure or waive any default or notice of default hereunder.

5. To pay all costs, fees and expenses incurred in defending the title to the property, including the cost of title search as well as the other costs and expenses of the trustee in defending the title to the property, and trustee's attorney's fees actually incurred.

6. To appear in and defend in any suit, action or proceeding to pay all costs and expenses, including attorney's fees and evidence of title and costs 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 sums as the appellate court shall adjudge reasonable on the beneficiary's or trustee's attorney's fees in such appeal.

It is mutually agreed that:

In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, however, it is agreed that the grantor shall have the right, if it so desires, to require that all or any portion of the amount payable as compensation for such taking.

NOTE: The Tax Deed Act provides that a tax deed holder may sue or defend in law and equity under the law of the state or states or law association each deed to the holder under the law of the state or states or law association, whichever is applicable, the title to the property of this state. The subscriber, witness, agent or branch, the title company or title agent, my furnish materials of the title to the property in the manner and detail as the holder may request.

\*\*The grantor suggests that such a provision may not affect the holder's right to sue or defend in law and equity under the law of the state or states or law association.

## TRUST DEED

John T. and Vicki M.  
MacDonald

South Lake Tahoe, CA

Beneficiary:

After Recording Return to (Name, Address, City):  
Karen Nelson  
P. O. Box 16987  
South Lake Tahoe, CA  
96151

RECEIVED  
FOR  
RECORDED

## STATE OF OREGON,

County of

I certify that the within instrument was received for record on the day of 19 , at o'clock M., and recorded in book/reel/volume No. -- on page -- or as fee/fee/extra-  
revenue/microfilm/reception No. -- Record of of said County.

Witness my hand and seal of County aforesaid.

By , Deputy

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 costs and expenses and attorney's fees, 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 his own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon demand therefor.

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 reconveyance or 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 plan of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subdivision or other agreement affecting this deed or the lien or charge thereon; (d) "legally entitled thereto," and the recitals therein of my or a sister or heirs 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.

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 the property or any part thereof, in its own name 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 the property, the collection of such rents, issues and profits, or the proceeds of the same 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, and invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby, or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary may elect to 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 a written notice of intent and election to sell the 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 O.R.S. 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 contacts the sale, the grantor or any other person so privileged by O.R.S. 86.735, 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 each portion as would not then be due had no default occurred. Any other default is capable of being cured only by curing 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 the sale may be postponed as provided by law. The trustee may sell the property either in one parcel or in separate parcels and shall sell in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trust 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 upon or 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 any successor in interest entitled to such surplus appointed hereunder. Upon such 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.

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 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. If 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 or any other default 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 greater covenants and agrees to and with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unumbered title thereto.

and that the grantor 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 greater's personal, family or household purposes (see Important Notice below),  
(b) for an organization, or (even if grantor is a natural person) for business or commercial purposes.  
This deed applies to, insures 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 trust deed, it is understood that the grantor, trustee and beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to a plural and that generally all grammatical changes shall be made, assumed and implied to make the provisions herein apply equally to corporations and to individuals.

**IN WITNESS WHEREOF,** the grantor has executed this instrument the day and year first above written.

\* **IMPORTANT NOTICE:** Declarer, by filing set, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a minor or under such ward as defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making no oral disclosures; for it is purpose use Statement Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

**STATE OF Calif., County of El Dorado** *John T. and Vicki MacDonald* **October 15, 1994**  
This instrument was acknowledged before me on **October 15, 1994**  
by **John T. and Vicki MacDonald**

**By Linda E. Baumgart Notary Public**  
as Notary Public  
of El Dorado County, California

UNDA E. BAUMGART  
COMM. # 1022948  
Notary Public - California  
EL DORADO COUNTY  
My Comm. Expires APR 10, 1998

*Linda E. Baumgart*  
Notary Public for California  
My Commission Expires: **4-10, 1994** California

33265

**TO:**

The undersigned is the legal owner and  
deed have been fully paid and satisfied. You  
trust deed or pursuant to statute, to one or all  
together with the trust deed) and to receive,  
without warrant, and documents held  
by you under the same. Mail reconveyance  
held by you under the same. Mail reconveyance

**DATED:**

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

STATE OF OREGON: COUNTY OF KLA. MATH: ss.

Filed for record at request of \_\_\_\_\_  
of Oct A.D. 19 94 of \_\_\_\_\_

FEE \$20.00/Non Stan \$20.00

**REQUEST TO****PURCHASE****RECONVEYANCE**

as and only when stipulations have been paid.

bearer of all individual debts secured by the foregoing trust deed. All sums secured by the trust  
deed are due and payable to you under the terms of the trust deed (which are delivered to you herewith  
on payment to you of any sums owing to you under the terms of the trust deed which are delivered to you herewith  
to the parties designated by the terms of the trust deed the estate now

**Beneficiary**

Dale L. Sare, Inc the 26th day  
at 11:12 o'clock A.M., and duly recorded in Vol. M94  
Mortgages on Page 33263.

Evelyn Biehn County Clerk  
By Deanne Millerdore