

TRUST DEED

THIS TRUST DEED, made this 8th day of December, 1980, between EILBERT L. LENOS and EDNA M. LENOS, husband and wife, as Grantor, TRANSAMERICA TITLE INSURANCE COMPANY, JUDY LEE HUGG and JAN KAY MC DOUGAL, as Beneficiary, as Trustee, and

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

The North 415 feet of the West 1050 feet of Lot 14 in Block 17 of Klamath Falls Forest Estates, SYCAN UNIT, in the County of Klamath, State of Oregon.

SEE ATTACHED EXHIBIT "A"

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 SEVEN THOUSAND NINE HUNDRED AND NO/100s 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 at maturity.

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.

- 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, 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, and to the Uniform Commercial Code as the beneficiary may require and to the 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, on an amount not less than \$100,000.00, written in policies acceptable to the beneficiary, with loss payable to the latter; if the grantor shall fail for any reason to provide any such insurance and the beneficiary may procure the same at grantor's expense and to collect under any fire or other insurance policy so procured; the amount of any such payment, or at option of beneficiary, and in such order as beneficiary may determine, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
 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 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, 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 payment, with interest as aforesaid, the property hereinafter described, as well as 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 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 without notice.
 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 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 evidence of title and the beneficiary's or trustee's costs and expenses, including 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.
 8. It is mutually agreed that:
 9. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall be taken as compensation for such taking, which are in excess of the amount payable 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 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 as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.
 10. 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

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.

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 the grantor's personal, family, household or agricultural purposes (see Important Notice below);

(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

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.

STATE OF OREGON
County of Santa Clara
December 16, 1980

Personally appeared the above named
Edna M. Leno and
and acknowledged the foregoing instrument to be a voluntary act and deed.

Before me,
Brenda Gardner
Notary Public for Oregon
My Commission Expires May 11, 1982

Notary Public for Oregon
My Commission Expires: (SEAL)

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 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

SEE ENCLOSED EXHIBIT

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) STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.		RECEIVED BY CLERK OF COUNTY OF OREGON, K... 1980 DECEMBER 16	
Grantor Edna M. Leno		Beneficiary T.A. Banc	
AFTER RECORDING RETURN TO T.A. Banc		Recorder's Use KVA NC DONGVI 1980 DEED	

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 document/fee/file/instrument/microfilm No. _____.
 Record of Mortgages of said County.
 Witness my hand and seal of _____ County, affixed.
 December 16, 1980
 By _____
 NAME _____ TITLE _____
 Deputy

EXHIBIT "A"

24836

This Trust Deed is an "All Inclusive Trust Deed" and is Second and subordinate to the Trust Deed now of record dated December 13, 1977, and recorded January 6, 1978 in Book: M-78 at page: 279, in official records of Klamath County, in favor of Roger P. Enell, as Beneficiary, which secures the payment of a Note therein mentioned. Beneficiary herein agrees to pay, when due, all payments due upon the said Promissory Note in favor of Judy Lee Hugg and Jan Kay McDougal, and will save Trustors herein, Filbert L. Lenos and Edna M. Lenos, husband and wife, harmless therefrom. Should the said Beneficiary herein default in making any payments due upon said prior Note and Trust Deed, Trustors herein may make said delinquent payments and any sums so paid by Trustors herein shall then be credited upon the sums next to become due upon the Note secured by this Trust Deed.

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of Transamerica Title Co.
this 22nd day of December A. D. 1980 at 3:33 o'clock P. M., and
 duly recorded in Vol. 480, of Mortgages on Page 24834

Wm D. MILNE, County Clerk

By Bernetha J. Petersen

Fee \$10.50