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88301
THIS TRUST DEED, made this 8th day of June, 1988, between
WAYNE J. SHAFFER and JO SHAFFER, as tenants in common, each as to an undivided
1/2 interest
MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY
as Grantor,
JOHN J. LENDERMAN and GOLDIE M. LENDERMAN, husband and wife
as Beneficiary,

WITNESSETH:
Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property
in Klamath County, Oregon, described as:
The South 40 feet of Lots 27, 28, and 29, Block 24, INDUSTRIAL ADDITION to the City
of Klamath Falls, according to the official plat thereof on file in the office of
the County Clerk of Klamath County, Oregon.
Klamath County Tax Account #3809-33AB-7200.

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 connec-
tion with said real estate.
FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the
sum of EIGHT THOUSAND 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
not sooner paid, to be due and payable per terms of Note, 1988, on which the final installment of said note
becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be
sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary,
then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or
herein, shall become immediately 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;
2. To complete or improve any building or improvement 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, condi-
tions and restrictions affecting said property; if the beneficiary so requests, to
join in executing such financing statements pursuant to the Uniform Commis-
sion Code as the beneficiary may require and to pay for 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
and such other hazards as the beneficiary may from time to time require, in
an amount not less than \$100,000.00, with loss payable to the latter; all
policies of insurance shall be delivered to the beneficiary as soon as insured;
if the grantor shall fail for any reason to procure any such insurance and to
deliver said policies to the beneficiary now or hereafter placed on said buildings,
the beneficiary may procure the same at the grantor's expense. The amount
collected under any policy of insurance may be applied by the beneficiary
clary upon any indebtedness secured hereby and in such order as collected, or
may determine, or at option of beneficiary the entire amount or release shall
any part thereof, may be released to grantor. Such application or release may
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 the beneficiary; should the grantor fail to make payment of any taxes, assess-
ments, insurance premiums, liens or other charges with funds with which to
make such payment, the beneficiary may, at its option, make payment thereof
by direct payment or by tendering the amount of the note secured by this
deed, together with the obligations of the debt secured by this deed, to the
trustee, and the amount so paid shall become a part of the debt secured by this
deed, and shall be added to any rights arising from breach of any of the
covenants hereof and shall be payable by the grantor, shall be bound to the
trustee herebefore described, as well as the payment of the obligation herein
covenanted to be paid, and all such payments shall be immediately due and payable
described, and the nonpayment thereof shall, at the option of the beneficiary,
out notice, and the nonpayment thereof shall, at the option of the beneficiary,
render all sums secured by this deed.

6. To pay, as well as the other costs and expenses of the trustee incurred
of title search as well as in enforcing this obligation and trustee's and attorney's
in connection with or in enforcing this obligation and trustee's and 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
any suit for the foreclosure of this deed, to pay all costs and expenses, in-
cluding evidence of title and the beneficiary's or trustee's attorney's fees; the
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 and in the event of an appeal from any judgment or
decree of the trial court shall adjudge reasonable as the beneficiary's or trustee's attor-
ney's fees on such appeal.

It is mutually agreed that:

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, if it so elects, to require that all or any portion of the amount required
as compensation for such taking, which are in excess of the amount paid or
to pay all reasonable costs, expenses and attorney's fees necessarily paid or in-
curred by grantor in such proceedings, shall be paid to beneficiary; the
beneficiary, payment of its fees and expenses, shall be necessary in obtaining such com-
pensation; the beneficiary shall be bound to the payment of the obligation herein
covenanted to be paid, and all such payments shall be immediately due and payable
described, and the nonpayment thereof shall, at the option of the beneficiary,
out notice, and the nonpayment thereof shall, at the option of the beneficiary,
render all sums secured by this deed.

9. At any time and from time to time upon written request of bene-
ficiary, payment of its fees and expenses, shall be necessary in obtaining such com-
pensation; the beneficiary shall be bound to the payment of the obligation herein
covenanted to be paid, and all such payments shall be immediately due and payable
described, and the nonpayment thereof shall, at the option of the beneficiary,
out notice, and the nonpayment thereof shall, at the option of the beneficiary,
render all sums secured by this deed.

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 licensed under ORS 696.505 to 696.585,
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 except none 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 or household purposes (see Important Notice below); (b) ~~for the purchase, construction, reconstruction, improvement, maintenance, or repair of real property for business or domestic 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.

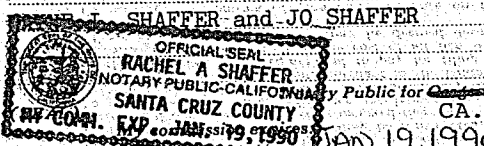
IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* 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 use Stevens-Ness Form No. 1319, 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 acknowledgement opposite.)

STATE OF ~~KREKKY~~ CALIFORNIA)
County of SANTA CRUZ) ss.

This instrument was acknowledged before me on June 10, 1988, by WAYNE J. SHAFFER and JO SHAFFER



STATE OF OREGON,)
County of _____) ss.

This instrument was acknowledged before me on 19____, by _____

as _____ of _____
Notary Public for Oregon
My commission expires: _____ (SEAL)

Rachel A. Shaffer

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 hereby 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.

STEVENS-NESS COMPANY, INC. WOODBRIDGE 12800-2248-1500

TRUST DEED

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

WAYNE J. SHAFFER and JO SHAFFER
104 Manor Avenue
Santa Cruz, CA 95060

Grantor

JOHN J. LENDERMAN and GOLDIE M. LENDERMAN FOR
17086 Hall Road
Clatskanie, OR 97016

Beneficiary

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

SPACE RESERVED

RECORDER'S USE

Fee: \$13.00

STATE OF OREGON,)
County of Klamath) ss.

I certify that the within instrument was received for record on the 16 day of June, 1988, at 2:37 o'clock P.M., and recorded in book/reel/volume No. M88 on page 2313 or as fee/title/instrument/microfilm/reception No. 88301, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Bienn, County Clerk
By Bernarda J. Ketchum Deputy