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 17436
 TRUST DEED
 THIS TRUST DEED, made this 4th day of November, 1982, between
 FREDERICK D. EHLERS

as Grantor, GARY C. PETERSON, ATTORNEY, as Trustee, and
 HELEN ANN EHLERS

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:

See Exhibit "A" attached hereto and made a part hereof.

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 Two Hundred and Twenty-five Thousand Dollars (\$225,000.00)

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 October 1, 1992.

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. 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.

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.

2. To complete or 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; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial 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 full and insurable value written in companies acceptable to the beneficiary; with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as issued; if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, 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, and the amount so paid, with interest at the rate set forth in the note secured hereby, 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 payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein 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 and 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 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 enforcement of this deed, to pay all costs and expenses, including 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, 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.

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 monies payable as compensation for such taking, 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 its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

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 reconveyances, for 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 plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination 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 the "person or persons legally entitled thereto," and the recitals therein of any matters or facts 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 said property or any part thereof, in its own name sue 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 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 an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by judicial sale and sale of the property and the proceeds thereof. The beneficiary shall execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligations 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 ORS 86.740 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 by ORS 86.760, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding the amounts provided by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

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 parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the 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 subsequent 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 his successor in interest entitled to such surplus.

16. 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 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, with reference to this trust deed and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. 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 under any other deed 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.

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 law-fully seized in fee simple of said described real property and has a valid, unencumbered title thereto Except for prior mortgage in the approximate amount of \$35,000.00.

and that he will warrant and forever defend the same against all persons whomsoever.

This trust deed is subject to the additional terms and conditions set forth on Exhibit "B" attached hereto and made a part hereof.

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),

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, execu-tors, 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 opposite.)

(ORS 93.490)

STATE OF OREGON,

County of Klamath

November

} ss.

, 1982

Personally appeared the above named

Frederick D. Ehlers

STATE OF OREGON, County of

, 19

) ss.

Personally appeared

and

who, each being first

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)

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

Before me:

Sharon D. McNelly
Notary Public for Oregon

My commission expires: 11-3-86

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: Gary C. Peterson, 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: November, 1982

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)

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

FREDERICK D. EHLERS

Grantor

HELEN ANN EHLERS

Beneficiary

AFTER RECORDING RETURN TO

FOSTER & PURDY

P. O. BOX 1667

MEDFORD, OR 97501

SPACE RESERVED

FOR

RECORDER'S USE

STATE OF OREGON,

County of

} ss.

I certify that the within instru-ment 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.

NAME

TITLE

By

Deputy

A parcel of land situated in the S1/2 of Lot 6, Section 12, Township 38 South, Range 8 East of the Willamette Meridian, more particularly described as follows:

Starting at the iron pipe marking the Southeast corner of the N1/2 of Lot 6 as referred to in Volume M69 at page 9509, Microfilm Records; thence North 89 deg. 32' 23" West 914.77 feet along the South boundary of the N1/2 of said Lot 6 to a 5/8 inch iron rod (this same boundary line recited in above Volume M69 at page 9509, and on map of Survey No. 471 as bearing North 89 deg. 54 1/2' West); thence South 17 deg. 24' 31" East 350.98 feet to a 5/8 inch iron rod; thence continuing South 17 deg. 24' 31" East 350.98 feet to a 5/8 inch iron rod on the South boundary of said Lot 6; thence North 89 deg. 40' 52" West along the South boundary of said Lot 6 a distance of 914.04 feet to a 5/8 inch iron rod at the high water line of Upper Klamath Lake; thence North 24 deg. 06' 06" West along the high water line of Upper Klamath Lake a distance of 336.55 feet to a 5/8 inch iron rod, which is the true beginning point of this description; thence South 89 deg. 36' 20" East 435.6 feet; thence South 24 deg. 06' 06" East 109.54 feet; thence North 89 deg. 36' 20" West 435.6 feet; thence North 24 deg. 06' 06" West 109.54 feet to the true beginning point.

CEL TWO:

The South one-half of Lot 6, Section 12, Township 38 South, Range 8, E. W. M.; less:

A parcel of land situated in the South one-half of Lot 6, Section 12, Twp. 38 S., R. 8, E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the iron pipe marking the Southeast corner of the North one-half of Lot 6 as referred to in Volume M69, Page 9509 Deed Records of Klamath County, Oregon; thence North 89 deg. 32' 23" West - 914.77 feet along the South boundary of the North one-half of said Lot 6 (this same boundary line recited in above Volume M69, Page 9509, and on Map of Survey No. 471, as bearing North 89 deg. 54 1/2' West) to a 5/8 inch iron rod marking the true point of beginning of this description; thence South 17 deg. 24' 13" East - 350.98 feet to a 5/8 inch iron rod; thence North 89 deg. 36' 20" West - 959.54 feet to a 5/8 inch iron rod at the high water line of Upper Klamath Lake; thence North 10 deg. 10' 20" West - 341.01 feet along said high water line to a 5/8 inch iron rod on the aforesaid South boundary of the North one-half of Lot 6; thence South 89 deg. 32' 23" East 914.77 feet along the South boundary of the North one-half of lot 66 to the true point of beginning, containing 7.20 acres more or less; and also less:

A parcel of land situated in the South one-half of Lot 6, Section 12, Twp. 38 S., R. 8, E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the iron pipe marking the Southeast corner of the North one-half of Lot 6 as referred to in Volume M69, Page 9509 Deed Records of Klamath County, Oregon; thence North 89 deg. 32' 23" West - 914.77 feet along the South boundary of the North one-half of said Lot 6 to a 5/8 inch iron rod (this same boundary line recited in above Volume M69, Page 9509, and on Map of Survey No. 471, as bearing North 89 deg. 54 1/2' West); thence South 17 deg. 24' 31" East 350.98 feet to a 5/8 inch iron rod marking the true point of beginning of this description; thence continuing South 17 deg. 24' 31" East 350.98 feet to a 5/8 inch iron rod on the South boundary of said Lot 6; thence North 89 deg. 40' 52" West along the South boundary of said Lot 6 a distance of 914.04 feet to a 5/8 inch iron rod at the high water line of Upper Klamath Lake; thence North 24 deg. 06' 06" West along the high water line of Upper Klamath Lake a distance of 368.55 feet to a 5/8 inch iron rod; thence South 89 deg. 36' 20" East - 959.54 feet to the true point of

PARCEL THREE:

AN UNDIVIDED ONE-HALF INTEREST IN THE FOLLOWING DESCRIBED PROPERTY:

A parcel of land situated in the South one-half of Lot 6, Section 12, Twp. 38 S., R. 8, E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the iron pipe marking the Southeast corner of the North one-half of Lot 6 as referred to in Volume M69, Page 9509 Deed Records of Klamath County, Oregon; thence North 89 deg. 32' 23" West - 914.77 feet along the South boundary of the North one-half of said Lot 6 to a 5/8 inch iron rod (this same boundary line recited in above Volume M69, Page 9509, and on Map of Survey No. 471, as bearing North 89 deg. 54 1/2' West); thence South 17 deg. 24' 31" East 350.98 feet to a 5/8 inch iron rod marking the true point of beginning of this description; thence continuing South 17 deg. 24' 31" East 350.98 feet to a 5/8 inch iron rod on the South boundary of said Lot 6; thence North 89 deg. 40' 52" West along the South boundary of said Lot 6 a distance of 914.04 feet to a 5/8 inch iron rod at the high water line of Upper Klamath Lake; thence North 24 deg. 06' 06" West along the high water line of Upper Klamath Lake a distance of 368.55 feet to a 5/8 inch iron rod; thence South 89 deg. 36' 20" East - 959.54 feet to the true point of beginning; containing 7.20 acres more or less.

ADDENDUM TO TRUST DEED

Grantors covenant and agree:

1. To pay when due all encumbrances, charges, liens, including interest, on said property or any part thereof which appear to be prior to or superior to this trust deed. Should grantors fail to make any said payment or do any other act as herein provided, beneficiaries or the trustee may, without obligation to do so and without notice or demand upon grantors and without releasing grantors from any obligation hereunder, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or trustee is authorized to enter upon said property for such purpose and to appear in and defend any action or proceeding propoing to affect the security hereof or the rights or powers of the beneficiary or trustee hereunder. Beneficiary or trustee may pay, purchase, contest or compromise any encumbrance, charge or liens which in the judgment of either appears to be prior or superior hereto and in exercising any such powers pay necessary expenses, employ counsel and pay reasonable attorney fees. The amount so paid, expenses incurred and reasonable attorney fees shall be added to and become 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 payments with interest as aforesaid, the property here and before described as well as the grantors shall be bound to the same extent as they are bound for the payment of the obligation herein 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 in constituted breach of this trust deed.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record .

this 9 day of Dec. 10:59 A. D. 19 82 at o'clock A. M. and
duly recorded in Vol. M82 of Mtge on No. 17436

Fee \$20.00

EVLYN BISHOP, County Clerk

By Joyce M. Bishop