

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 First Federal Savings and Loan Association of Klamath Falls, Oregon, Trust Deed recorded July 6, 1976, in Volume M76, page 10154, Microfilm Records of Klamath County, Oregon which Beneficiary herein has agreed to hold Grantors harmless therefrom 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).

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 opposite.)

STATE OF OREGON,

County of Klamath, ss.
December 12, 19 85.

Personally appeared the above named
STEVEN R. SHERRETS and JULIE A. SHERRETS

and acknowledged the foregoing instrument to be THEIR voluntary act and deed.

(OFFICIAL SEAL)

Before me:

Kristin L. Redd
Notary Public for Oregon

My commission expires: 11/16/87

STATE OF OREGON, County of _____, 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)

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.

TRUST DEED

(FORM No. 881)

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

Steven R. Sherrets & Julie A. Sherrets

Grantor

Orville R. Emerson

Beneficiary

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____, ss.

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/file/instrument/microfilm/reception No. _____, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____ Deputy

EXHIBIT "A"

20231

This Trust Deed is an "All Inclusive Trust Deed" and is second and subordinate to the Trust Deed now of record dated July 2, 1976, and recorded on July 6, 1976, in Volume M76, page 10154, Microfilm Records of Klamath County, Oregon, in favor of First Federal Savings and Loan Association of Klamath Falls, Oregon, as Beneficiary, which secures the payment of a Note therein mentioned.

Orville R. Emerson, Beneficiary herein agrees to pay, when due, all payments due upon the said Promissory Note in favor of First Federal Savings and Loan Association of Klamath Falls, Oregon, and will save Grantors herein, Steven R. Sherrets and Julie A. Sherrets, husband and wife, harmless therefrom.

Should the said Beneficiary herein default in making any payments due upon said prior Note and Trust Deed, Grantor herein may make said delinquent payments and any sums so paid by Grantor herein shall then be credited upon the sums next to become due upon the Note secured by this Trust Deed.

Grantors herein have agreed to reimburse the Seller directly at the end of each November for the real property taxes upon presentation of the paid tax receipt delivered to the Grantors.

(SS)

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of December A.D., 19 85 at 2:51 o'clock P M., and duly recorded in Vol. M85 day
of Mortgages on Page 20229

FEE \$13.00

Evelyn Biehn,
By _____ County Clerk

Ram Smith