

RECORDING REQUESTED BY

97 AM -2 M141

COLLEEN BARKSDALE
P.O. BOX 5212
OROVILLE, CALIF. 95965

AND WHEN RECORDED MAIL TO

Name: WILLIAM L. AYERS
3113 BRISTOL AVE. # 38
Sheet: KLAMATH FALLS, OREGON 97603
Address:
City & State:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Deed of Trust and Assignment of Rents

This Deed of Trust, Made this 20th day of May, 1997..
Between William Lee Ayers herein called TRUSTOR.
whose address is 3113 Bristol Ave., # 38, Klamath Falls, Oregon 97603
(Insert Name), herein called Trustee, and Colleen Barksdale..
and William Heath & Deborah L. Heath as joint tenants herein called BENEFICIARY.
Witnesseth: That Trustor irrevocably GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN
TRUST, WITH POWER OF SALE, that real property in the, State of California described as:
County of Klamath,
Oregon

Lot 20 in block 14 Oregon shores subdivision - Tract # 1053
in the County of Klamath, State of Oregon as shown on the
map filed on Oct. 3, 1973, in Volume 20, pages 21 & 22 of
maps in the office of the County Recorder of said County

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon
Beneficiary by Paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits, for the purpose of
securing payment of the indebtedness evidenced by a promissory note, of even date herewith, executed by Trustor in the sum of \$.....
any additional sums and interest thereon hereafter loaned by Beneficiary to the then record owner of said property which loans are
evidenced by a promissory note or notes, containing a recitation that this Deed of Trust secures the payment thereof, any lawful charge made by
Beneficiary for a statement regarding the obligations secured hereby requested by or for Trustor, and the performance of each agreement herein
contained. By the execution and delivery of this Deed of Trust and the note secured hereby, the provisions (1) to (18) inclusive, printed on the reverse
hereof, hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and
perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property,
obligations, and parties set forth in this Deed of Trust.

Trustor requests that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to him at his address given herein.

Wm L Ayers Sr

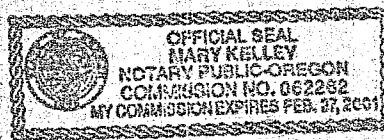
STATE OF ~~CALIFORNIA~~ Oregon

County of Klamath..
On June 2, 1997, before me, the undersigned, a Notary
Public, in and for said State, personally appeared.....
personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person whose name subscribed to
this instrument, and acknowledged to me that he
executed the same.

Mary Kelley
Notary Public

This document is only a general form which may be proper for use in certain situations and is not to be used, or is
intended to act, as a substitute for the advice of an attorney. The proper choice of words and the manner of their use, a short opinion
or implied, as to the legal validity of any provision of this document is not to be used in any specific situation.
Coward's Form No. 506 - Deed of Trust (No Acceleration Clause)
--- (Rev. 1/83)

FOR NOTARY SEAL OR STAMP



RECORD BOTH SIDES

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary; the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon 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 Trustor. 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.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay, at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all incumbrances, charges and liens, any interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation as to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, 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 being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien 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 his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may, recover any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grant so in such reconveyance may be described as "the person or persons legally entitled thereto." Five (5) years after issuance of such full reconveyance, Trustee may destroy said note and this Deed unless directed in such request to retain them.

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, 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 his own name (as for or otherwise collect such 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. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law for giving the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale; and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter; and the singular number includes the plural.

(14) That 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 act on or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(15) Trustee shall act as Trustee under Deeds of Trust given solely for the purpose of securing obligations for the repayment of money other than corporate bonds. (California Financial Code §1690.)

REQUEST FOR RECONVEYANCE

THE PROMISSORY NOTE OR NOTES, AND ANY EVIDENCES OF FURTHER AND/OR ADDITIONAL ADVANCES MUST BE PRESENTED WITH THIS REQUEST.

.....California.....

(date)

To THE TRUSTEE NAMED ON THE REVERSE HEREOF:

You are hereby authorized and requested to execute a reconveyance hereunder and deliver same to

The undersigned own all the obligations secured by said Deed of Trust.

Beneficiary

Beneficiary

Beneficiary

Beneficiary

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of William L. Ayers the 2nd day
of June A.D. 19 97 at 11:41 o'clock A. M., and duly recorded in Vol. M97
of Mortgages on Page 16794

Bernetha G. Latsch, County Clerk

FEE \$15.00

By

Kathleen Ross