

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 (SEE ATTACHED EXHIBIT "A")

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),

XXXXXX for any other purpose or for the purchase of real property or for the payment of a mortgage or other debt secured by real property.

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, partnership, trust, estate, or other entity, use the form of acknowledgment opposite.)

STATE OF OREGON

County of Klamath

January 9, 1987

Personally appeared the above named

RICHARD R. BATSELL and

KATHERINE A. BATSELL, husband

and wife,

who are the legal owners of the above described property,

and acknowledged the foregoing instrument to be their

voluntary act and deed.

Before me, Notary Public for Oregon,

My commission expires: 11-12-87

Notary Public for Oregon

My commission expires: 11-12-87

Notary Public for Oregon

My commission expires: 11-12-87

Notary Public for Oregon

My commission expires: 11-12-87

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My commission expires: 11-12-87

Richard R. Batsell

Richard R. Batsell

Katherine A. Batsell

Katherine A. Batsell

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EXHIBIT "A"
SUBORDINATION TO PRIOR TRUST DEED

The lien securing the indebtedness secured by this trust deed is and remains secondary and inferior to the lien securing payment of a promissory note in the principal amount of \$75,000.00, executed by Richard R. Batsell and Katherine A. Batsell, husband and wife, payable to Klamath First Federal Savings and Loan Association, and dated January 9, 1981, which is more fully described in a trust deed recorded in the Deed Records of Klamath County, Oregon, in Volume M81, page 424, thereof. Trustor agrees that if default is made in payment of that note, or any part thereof, principal or interest, as it shall become due, or in the performance of any of the covenants of the trust deed securing the payment of that note, the indebtedness evidenced by the note secured by this trust deed shall, at the option of beneficiary, become immediately due and payable.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.
 this 12th day of January A.D. 1981 at 10:53 clock A.M., and
 duly recorded in Vol. M81, of Mortgages on Page 483.

Fee \$10.50

By EVILYN BIEHN County Clerk
Bernetha A. Peticola

R. R. B.
 R. R. B.

K. A. B.
 K. A. B.