

19-86- between

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.

SS 013 PH 313

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

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: (b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural 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.
FIRST SAN FRANCISCO GROUP, INC.
an Oregon Corporation.

By: Edward R. Derksen, Chairman

* 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, } ss.
County of _____, 19 _____

Personally appeared the above named _____

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

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: _____

STATE OF OREGON, County of Multnomah
October 8, 19 86
Personally appeared EDWARD R. DERKSEN and
_____ who, each being first
duly sworn, did say that he is the Chairman
president and that the latter is the
secretary of FIRST SAN FRANCISCO GROUP, INC.

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:

Given M. Lacey
Notary Public for Oregon

(OFFICIAL SEAL)

My commission expires: 1-10-87

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.

FIRST SAN FRANCISCO GROUP, INC.

Grantor

MID OIL COMPANY

Beneficiary

AFTER RECORDING RETURN TO

Robert G. Burt, Esq.
1600 One Main Place
101 S.W. Main Street
Portland, Oregon 97204

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON, } ss.
County of _____

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"

REAL PROPERTY DESCRIPTION

STATION NO. 45

19765

STREET ADDRESS: Route 5 Box 1325, Klamath Falls, Oregon

TRUE CASH VALUE: Klamath County, Oregon (1985-86) \$111,840.00

LEGAL DESCRIPTION: **PARCEL 1:** That portion of the SW1/4 of the NW 1/4 of Section 7, Township 38 South, Range 9 East of the Willamette Meridian (being a part of Government Lots 1 and 5), lying East of the New Dalles-California Highway, in the County of Klamath, State of Oregon, more particularly described as follows: Beginning at the iron pipe which marks the Southeast corner of the SW1/4 of the NW1/4 of Section 7, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and running thence North along the 40 line a distance of 1320 feet to the Northeast corner of the SW1/4 of the NW1/4 of said Section 7; thence North 89° 59' West along the 40 line a distance of 709.8 feet to a point on the Easterly right of way line of the New Dalles-California Highway; thence South 11° 36' West along the Easterly right of way line of the New Dalles-California Highway to an iron pin which marks its intersection with the East-West quarter line of said Section 7; thence South 89° 49' East along the East-West quarter line a distance of 438.6 feet more or less, to the point of beginning. **EXCEPTING** the following described tract: Beginning at a point marked with a 1 inch iron pipe on the Easterly right of way boundary of the New Dalles-California Highway (U.S. 97) which point is 393.2 feet North and 519.0 feet West of the Southeast corner of said SW1/4 NW1/4 of said Section 7, said corner being marked with a 1/2 inch galvanized pipe; thence North 11° 36' West along the said Easterly right of way boundary of said U.S. Highway 97 284.6 feet to a point on same marked with a 1 inch pipe; thence North 78° 24' East 176.9 feet to a 1 inch pipe; thence South 8° 36' East 284.9 feet to a 1 inch pipe; thence South 78° 24' West 162.0 feet, more or less, to the point of beginning. **TOGETHER WITH** that portion directly adjacent to the Easterly boundary line of the hereinabove described real estate, being a parcel of land 284.9 feet measured along the Westerly boundary of said tract and extending Easterly to the Easterly boundary of that portion of land owned by John P. Cavanaugh and Alice Bailey Cavanaugh, described as a portion of SW1/4 NW1/4 of Section 7, Township 38 South, Range 9 East of the Willamette Meridian, recorded in Volume 248 at page 325 of Deeds and Records of Klamath County, Oregon. **PARCEL 2:** A tract of land within that portion of the SW1/4 NW1/4 of Section 7, Township 38 South, Range 9 East of the Willamette Meridian, described in Volume 248 at page 325 of Klamath County, Deed Records, in the County of Klamath, State of Oregon, said tract of land being more particularly described as follows: Beginning at a point marked with a 1" iron pipe on the Easterly right of way boundary of the New Dalles-California Highway (U.S. 97) which point is 393.2 feet North and 519.0 feet West of the Southeast corner of said SW1/4 NW1/4 of said Section 7, said corner being marked with a 1/2" galvanized pipe; thence North 11° 36' West along the said Easterly right of way boundary of said U.S. Highway 97 284.6 feet to a point on same marked with a 1" pipe; thence North 78° 24' East 176.9 feet to a 1" pipe; thence South 8° 36' East 284.9 feet to a 1 inch pipe; thence South 78° 24' West 162.0 feet, more or less, to the point of beginning. **TOGETHER WITH** that portion directly adjacent to the Easterly boundary line of the hereinabove described real estate, being a parcel of land 284.9 feet measured along the Westerly boundary of said tract and extending Easterly to the Easterly boundary of that portion of land owned by John P. Cavanaugh and Alice Bailey Cavanaugh, described as a portion of SW1/4 NW1/4 of Section 7, Township 38 South, Range 9 East of the Willamette Meridian, recorded in Volume 248 at page 325 in Deeds and Records of Klamath County, Oregon.

SUBJECT TO THE FOLLOWING ENCUMBRANCES: (1) Easement, including the terms and provisions thereof, for a drainage ditch granted to the public, recorded December 26, 1984, in Book M-84, Page 21421, in the Deed Records of Klamath County, Oregon. This easement affects the Easterly and Northerly 20 feet of property; (2) Regulations, including the terms and provisions thereof, as to control, raising and lowering of Upper Klamath Lake, as set out in instrument in California Oregon Power Company, recorded in Book 97 at page 388, Deed Records; (3) Agreement, including the terms and provisions thereof, between The Klamath Development Co., H. D. Mortensen and California Oregon Power Company, recorded in Deed Volume 97 at page 383; (4) Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Northside Drainage District; and (5) Rights of the public in and to any portion of said premises lying within the limits of roads and highways.

EXHIBIT A to TRUST DEED

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
 of _____ October _____ A.D., 19 _____ 86 at _____ 3:13 o'clock P. M., and duly recorded in Vol. _____ 1886
 of _____ Mortgages _____ on Page _____ 19763

FEE \$13.00

Evelyn Biehn, County Clerk
 By _____