

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.

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 use Stevens-Nass Form No. 1319, 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 acknowledgement opposite.)

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on 1986, By Richard R. Batsell, Katherine D. Batsell, Barry D. Batsell, Eugene K. Batsell

Notary Public for Oregon

My commission expires: 6-21-88

Batsell Bros. Oil Co.
By: Katherine D. Batsell
Barry D. Batsell
Eugene K. Batsell

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on 1986, By Richard R. Batsell, Katherine D. Batsell, Barry D. Batsell, Eugene K. Batsell

Notary Public for Oregon

My commission expires: 6-21-88

REQUEST FOR FULL RECONVEYANCE TO BE USED ONLY WHEN OBLIGATIONS HAVE BEEN PAID. 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 the parties designated by the terms of said trust deed.

DATED: 1986, 19th day of June, at Klamath Falls, Oregon.

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.

1912 TRUST DEED (FORM No. 881) STEVENS-NASS LAW FIRM, P.C., PORTLAND, OREGON

Grantor: SOUTH VALLEY STATE BANK, 5215 SOUTH SIXTH STREET, KLAMATH FALLS, OR 97603

Beneficiary: [Blank]

After recording, return to: SOUTH VALLEY STATE BANK, 5215 SOUTH SIXTH STREET, KLAMATH FALLS, OR 97603

STATE OF OREGON, County of Klamath

I certify that the within instrument was received for record on the 19th day of June, 1986, at 10 o'clock A.M., and recorded in book/reel/volume No. 1589K on page 20622 or as fee/file/instrument/microfilm/reception No. [Blank]

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By: [Signature] Deputy

EXHIBIT "A"

20749

Batsell Brothers Oil Company, Inc. Trust Deed dated October 15, 1986

K-38998-A

DESCRIPTION OF PROPERTY

The following described real property situated in Klamath County, Oregon:

PARCEL 1:

A parcel of land situated in Lots 1 and 5, Section 25, Township 37 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, and being more particularly described as follows:

Beginning at a iron rod monument on the Westerly right of way line of Shady Pine Road (originally The Dalles-California Highway), said point being S. 05°01'49" W., 1335.29 feet from a brass cap monument at the northeast corner of said Section 25; thence S. 87°54'00" W., 374.83 feet to an iron rod monument on the east line of the relocated The Dalles-California Highway No. 97; thence N. 02°06'00" W., 176.87 feet along said East line to a point, said point being 35 feet distant Easterly from, when measured at right angles to the centerline of said highway at station 328+73.4; thence N. 87°54'00" E., 15.00 feet; thence N. 02°06'00" W., parallel with and 50 feet distant from the centerline of said relocated highway, a distance of 50.95 feet to the Southwest corner of that property described in Volume M82 page 7839, Deed records of Klamath County, Oregon; thence N. 68°37'20" E., along the South line of that property described in said Volume M82 page 7839, a distance of 223.35 feet more or less to the Westerly right of way line of said Shady Pine Road; thence Southeasterly along said Westerly right of way to the point of beginning.

EXCEPTING THEREFROM that portion of a strip of land 25 feet in width that lies within the above described property, said strip is described in Deed Volume 128 page 279, of the Klamath County Deed records, and shown on record of survey No. 1545.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 13th day
of November A.D., 19 86 at 3:06 o'clock P. M., and duly recorded in Vol. M86
of Mortgages on Page 20747.

FEE \$13.00

Evelyn Biehn, County Clerk
By 