

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 none 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 or household 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 use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

JOSEPH FREDERICK DERRY, JR.
GINGER LEE DERRY

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON
County of Klamath

This instrument was acknowledged before me on June 13, 1988, by

JOSEPH FREDERICK DERRY, JR. and
GINGER LEE DERRY

(SEAL)

My commission expires: 11/16/91

STATE OF OREGON

County of

This instrument was acknowledged before me on 19 by

as

of

Notary Public for Oregon

My commission expires:

(SEAL)

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

DATED: June 13, 1988

Beneficiary

TRUST DEED

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

JOSEPH FREDERICK DERRY, JR. and
GINGER LEE DERRY
P.O. Box 284, Chiloquin, OR 97624

Grantor

CYNTHIA GALLAGHER

P.O. Box 222

Chiloquin, OR 97624

Beneficiary

MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 14th day of June, 1988, at 4:04 o'clock P.M., and recorded in book/reel/volume No. M88 on page 9239 or as fee/file/instrument/microfilm/reception No. 88236, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

Bernetha Helbo Deputy