

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-Ness 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.)

SYCAN FOREST PRODUCTS, INC.

BY: Walter L. McGee
WALTER L. MCGEE, PRESIDENT
BY: Sally J. McGee
SALLY J. MCGEE, SECRETARY

STATE OF OREGON,

County of _____

This instrument was acknowledged before me on _____, 19____, by _____

Notary Public for Oregon

(SEAL)

My commission expires: _____

STATE OF OREGON,

County of KLAMATH

This instrument was acknowledged before me on _____, 19____, by WALTER L. MCGEE & SALLY J. MCGEE
as PRESIDENT & SECRETARY
of SYCAN FOREST PRODUCTS, INC.

Davene Madden
Notary Public for Oregon

My commission expires: 10.5.90

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. 681)
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

SYCAN FOREST PRODUCTS, INC.

Grantor

SOUTH VALLEY STATE BANK

Beneficiary

AFTER RECORDING RETURN TO
SOUTH VALLEY STATE BANK
801 MAIN STREET
KLAMATH FALLS, OR 97601

STATE OF OREGON,

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 "B"
LEGAL DESCRIPTION

18757

A tract of land situated in the SE1/4 NE1/4 of Section 33, Township 38 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, being more particularly described as follows:

Beginning at a point on the East line of said SE1/4 NE1/4 from which point the Northeast corner of said SE1/4 NE1/4 bears North 00 degrees 02' 28" East 300.00 feet; thence South 00 degrees 02' 28" West, on said East line, 173.95 feet; thence South 71 degrees 11' 50" West, 582.82 feet; thence South 80 degrees 57' 06" West 776.32 feet to a point on the West line of said SE1/4 NE1/4; thence North 00 degrees 13' 13" East on said West line, 137.61 feet to the Easterly line of a tract of land described in Deed Volume 47 at page 593, Klamath County Deed Records; thence Northeasterly along said Easterly line to a point on the North line of said SE1/4 NE1/4; thence North 89 degrees 29' 53" East on said North line, 591.88 feet to the Northwest corner of a tract of land described in Deed Volume M78, page 3585, Klamath County Deed Records; thence South 00 degrees 02' 28" West on the West line of the last mentioned tract of land, 300.00 feet to the Southwest corner thereof; thence North 89 degrees 29' 53" East on the South line of the last mentioned tract of land, 300.00 feet to the point of beginning of this description.

TOGETHER WITH a tract of land situated in the SE1/4 NE1/4 of Section 33, Township 38 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of said SE1/4 NE1/4; thence North 89 degrees 29' 53" East along the North line of said SE1/4 NE1/4; 316.66 feet to the Westerly line of a tract of land described in Deed Volume 47 at page 593, Klamath County Deed Records; thence Southwesterly along said Westerly line to the West line of said SE1/4 NE1/4; thence North 00 degrees 13' 13" East along the West line of said SE1/4 NE1/4, 508.39 feet to the point of beginning.

Tax Account No.: 3811 V3300 00600
3811 V3300 00500

STATE OF OREGON,
County of Klamath ss.

Filed for record at request of:

Mountain Title Co.
on this 4th day of Oct. A.D. 19 89
at 3:37 o'clock P.M. and duly recorded
in Vol. M89 of Mortgages Page 18755

Evelyn Biehn
By Daniel M. Mendenhall County Clerk

Fee, \$18.00

Deputy.