

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:
 (a)* primarily for grantor's personal, family or household purposes (see Important Notice below),
 (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.)

STATE OF OREGON,
 County of _____

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

X William A. Frogue
 William A. Frogue
 X Mary R. Frogue
 Mary R. Frogue

Witness by: Kerry S. Penn

STATE OF OREGON,
 County of _____

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

STATE OF CALIFORNIA
 COUNTY OF Los Angeles

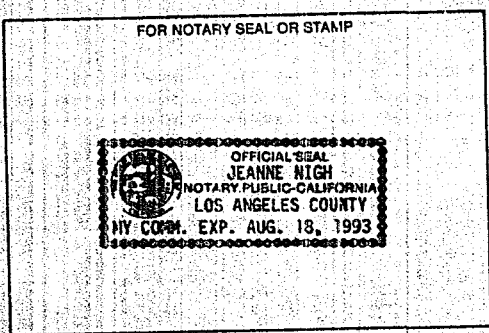
On November 17, 1989 before me the undersigned, a Notary Public in and for said County and State, personally appeared Kerry S. Penn

personally known to me to be the person whose name is subscribed to the within instrument as a witness thereto, (or proved to be such person by the oath of a credible witness who is personally known to me), who being by me duly sworn, deposes and says: That he resides at _____

18840 Ventura Blvd., Tarzana, CA. that he was present and saw William A. Frogue and Mary R. Frogue

personally known to Kerry S. Penn be the person described in, and whose name is subscribed to the within and annexed instrument, execute the same; and that he subscribed his name thereto as a witness of said execution.

Signature Jeanne Nigh



TRUST DEED

(FORM No. 81)
 STEVENS-NESS LAW PUB. CO., PORTLAND, OR

Frogue
 1991 Wetherly Ct
 Riverside, CA 92506

Grantor

Shamrock Development Co.
 2250 Ranch Road
 Ashland, OR 97520

Beneficiary

AFTER RECORDING RETURN TO

MTC
 222 South Sixth Street
 Klamath Falls, OR 97601

SPACE RESERVED
 FOR
 RECORDER'S USE

STATE OF OREGON,
 County of Klamath

I certify that the within instrument was received for record on the 30th day of November, 1989, at 2:18 o'clock P.M., and recorded in book/reel/volume No. M89 on page 23228 or as fee/file/instrument/microfilm/reception No. 8526, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
Bernetha D. Detack, Deputy

Fee \$13.00