

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 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.

Ronald N. Hesser
RONALD N. HESSER
Beverly A. Hesser
BEVERLY A. HESSER

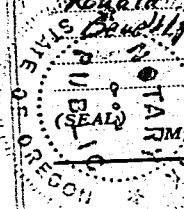
(If the signer of the above is a corporation, use the form of acknowledgement opposite.)

STATE OF OREGON,
County of KLAMATH

STATE OF OREGON,
County of
} ss.

This instrument was acknowledged before me on April 17, 1990, by Ronald N. Hesser & Beverly A. Hesser

This instrument was acknowledged before me on 19, by as of



Jim Miskowicz
Notary Public for Oregon
My commission expires: 8-1-90

Notary Public for Oregon (SEAL)
My commission expires:

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)
STEVENSS-NESS LAW PUB. CO., PORTLAND, ORE.
RONALD N. HESSER
BEVERLY A. HESSER 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. 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 1

PARCEL 1:

A portion of the NW1/4 SE1/4 of Section 10, Township 36 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point South 00 degrees 37' West along the North-South center section line a distance of 400 feet from the center of Section 10, Township 36 South, Range 6 East of the Willamette Meridian; thence continuing along said section line a distance of 65 feet to a point; thence North 89 degrees 17' East parallel to the East-West center section line a distance of 100 feet to a point; thence North 00 degrees 37' East, parallel to said North-South section line a distance of 65 feet to a point; thence South 89 degrees 17' West parallel to said East-West center section line a distance of 100 feet, more or less to the point of beginning.

Tax Account No: 3606 010DB 01100

PARCEL 2:

A portion of the NW1/4 SE1/4 of Section 10, Township 36 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the center of said Section 10; thence Southerly along the North-South center line of said section a distance of 300 feet to the true point of beginning; thence continuing South along said center section line a distance of 100 feet to a point; thence Easterly parallel to the East-West center line of said Section 10 a distance of 100 feet; thence Northerly parallel to said North-South center line a distance of 100 feet to a point; thence Westerly parallel to said East-West center line a distance of 100 feet, more or less to the point of beginning.

Tax Account No: 3606 010DB 01000

RONALD N. & BEVERLY A. HESSER

RNA *BAH*
4/13/90

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of S. Valley State Bank the 19th day of April A.D., 19 90 at 11:35 o'clock A M., and duly recorded in Vol. M90 of Mortgages on Page 7272.

Evelyn Biehn County Clerk
By *Evelyn Biehn*

FEE \$18.00