

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, which ever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a credit institution 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 grantor of the above is a corporation, see the form of acknowledgment opposite.)

STATE OF OREGON,

County of _____

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

Notary Public for Oregon

(SEAL)

My commission expires: _____

KLAMATH WOODLANDS, INC.

BY: W. Peter Brandsness
W PETER BRANDSNESS, PRESIDENT

SHARON D BRANDSNESS, SEC/TREAS

STATE OF OREGON,

County of KLAMATH

This instrument was acknowledged before me on Sept. 11, 1990, by W PETER BRANDSNESS AND SHARON D BRANDSNESS as PRESIDENT AND SEC/TREAS of KLAMATH WOODLANDS, INC.

Notary Public for Oregon

My commission expires: 6-12-92

REQUEST FOR FULL RECONVEYANCE

To be used only when all 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. 281)

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

KLAMATH WOODLANDS, INC.

Grantor

SOUTH VALLEY STATE BANK

Beneficiary

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK

801 MAIN STREET

KLAMATH FALLS, OR 97601

SPACE RESERVED

FOR

RECORDER'S USE

STATE OF OREGON,

County of _____ ss.

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

19757

EXHIBIT "A"

PARCEL I. Lots 4, 45 and 46 of Modoc Point, a platted subdivision of Klamath County, Oregon

PARCEL II. That portion of Government Lots 19 and 22 lying Northwest of Highway 427 and West of the Westerly right of way of the Southern Pacific Railroad right of way and North of Modoc Point, a platted subdivision in Klamath County, Oregon, in Section 15, Township 36 South, Range 7 East of the Willamette Meridian; LESS that portion lying West of a line running N01°35'15" W from Highway 427 in a 20' canal as established in a survey filed on May 22, 1978 in the Klamath County Surveyor's office under Survey Number 2667.

PARCEL III. That portion of the NE1/4SW1/4 of Section 15, Township 36 South, Range 7 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Northwest corner of Modoc Point, a platted subdivision in Klamath County, Oregon; thence South 05°32' East 583.77 feet; thence West 93.22 feet; thence North 01°06'15" East to the South right of way line of Highway 427; thence Easterly along the South right of way line of Highway 427 to the North boundary of Modoc Point, a platted subdivision in Klamath County, Oregon; thence West along the North boundary of Modoc Point, a platted subdivision in Klamath County, Oregon to the point of beginning.

PARCEL IV. Governments Lots 20 and 21 in Section 15, Township 36 South, Range 7 East of the Willamette Meridian, less that portion described in the deed recorded in Volume M75, page 8146, Records of Klamath County, Oregon

KLAMATH WOODLANDS, INC.

STATE OF OREGON: COUNTY OF KLAMATH

Filed for record at request of _____ the _____ 1st day
of _____ Oct. _____ A.D. 19 90 at 10:38 o'clock _____ A.M., and duly recorded in Vol. _____ M90
of _____ Mortgages _____ on Page 19755

FEE \$18.00

Evalyn Biehn County Clerk

By Odette Muelendore