

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),
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

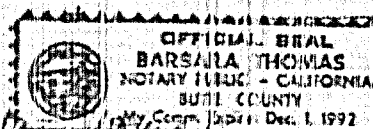
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or 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 striking out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor, the word "I" shall be defined in the Truth-in-Lending Act and Regulation Z, the beneficiary (BUT) comply with the Act and Regulation by making required disclosures for this purpose use Uniform-Model Form No. 1-119, or equivalent. If (b) applies with this Act is not required, disregard this notice.

Lora H. Gray
LORA H. GRAY
George L. Nerida
GEORGE L. NERIDA
Cherie Nerida
CHERIE NERIDA

STATE OF OREGON, County of Klamath ss.
This instrument was acknowledged before me on September 26, 1990,
by LORA H. GRAY
This instrument was acknowledged before me on _____, 19____,
by _____
at _____



Kristi L. Redd
Notary Public for Oregon
My commission expires 11/16/97

STATE OF CALIFORNIA - COUNTY OF BUTTE

On Sept. 28, 1990 before me, Barbara Thomas, a Notary Public, State of California, duly commissioned and sworn, personally appeared GEORGE L. NERIDA, CHERIE NERIDA, personally know to me to be the persons whose names are subscribed to this instrument and acknowledged that they executed it.

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.

Beneficiary

Do not lose or destroy this Trust Deed OR THE INSTRUMENT which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(FORM No. 151)

STANDARD FORM NO. 151, PUBLISHED BY THE AMERICAN LAND TITLE ASSOCIATION

LORA H. GRAY et al
443 Avalon
Klamath Falls, OR 97601
Grantor

NERIDA ANN GRAHAM
P.O. Box 2255
Walla Walla, WA 99362-0362
Beneficiary

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

01038

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,
County of Klamath } ss.

I certify that the within instrument was received for record on the 4th day of Oct., 1990, at 3:33 o'clock P.M., and recorded in book/reel/volume No. 190 on page 20136 or as fee/file/instrument/microfilm/reception No. 21079, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Deputy, Deputy

Fee \$13.00

11/28/90