

SEE ATTACHED LEGAL DESCRIPTION OF WHICH IS MADE A PART HEREOF BY THIS REFERENCE

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.555.

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 the purchase of real property or for the improvement of real property.~~

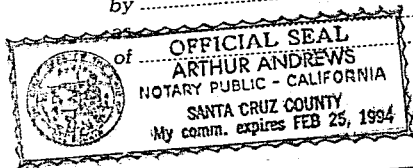
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or 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.

Mary Lou McMahan
Mary Lou McMahan

California
STATE OF ~~OREGON~~, County of Santa Cruz ss.
This instrument was acknowledged before me on November - 13th, 1990
by Mary Lou McMahan
This instrument was acknowledged before me on _____, 19____,
by _____



Arthur Andrews
Notary Public for ~~OREGON~~ California
My commission expires Feb 25, 1994

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 _____, 19____.

DATED: _____

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)

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

Mary Lou McMahan
P.O. Box 441
Boulder Creek, CA 95006
Grantor

Richard L. Shafer & Juanita G. Shafer
409 Pinehurst Drive
Newberg, OR 97132
Beneficiary

AFTER RECORDING RETURN TO

Mountain Title Company
(coll. escrow dept.)

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

MTC NO: 24583-K

EXHIBIT "A"
LEGAL DESCRIPTION

The N1/2 of Lot 30 and a portion of Lot 29, all in VICORY ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, situated in the NE1/4 NE1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, said parcel being more particularly described as follows:

Beginning at a 1/2 inch iron pipe on the Southwest corner of the N1/2 of said Lot 30, said point being on the East boundary of Logan Street and being North 0 degrees 38' West a distance of 67.57 feet from the iron axle marking the Southwest corner of said Lot 30; thence North 0 degrees 38' West along the East boundary of Logan Street and the West boundary of said Lots 30 and 29 a distance of 126.00 feet to a 1/2 inch iron pin; thence North 87 degrees 34' East a distance of 290.98 feet to a 1/2 inch iron pin on the East boundary of said Lot 29; thence South 0 degrees 06' 26" East along the East boundary of said Lots 29 and 30 a distance of 134.82 feet to a 1/2 inch iron pin on the Southeast corner of the N1/2 of said Lot 30; thence South 89 degrees 18' 13" West along the South line of the N1/2 of said Lot 30 a distance of 289.60 feet, more or less to the point of beginning.

Tax Account No: 3909 002AA 03700

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 19th day
of Nov A.D., 19 90 at 10:07 o'clock AM., and duly recorded in Vol. M90,
of Mortgages on Page 23078.

Evelyn Biehn - County Clerk
By Debra M. Muldore

FEE \$18.00