

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.

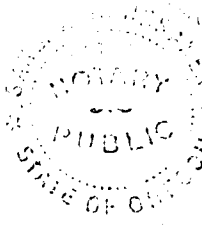
Jefferson State, Inc.

BY: Phil F. Barry Title President

BY: Mary G. Barry Title Secretary

STATE OF OREGON, County of Klamath) ss.
 This instrument was acknowledged before me on May 8, 1992.

by Phil F. Barry and Mary G. Barry
 as President and Secretary
 of JEFFERSON STATE, INC.



Jindra Handwerker
 Notary Public for Oregon
 My commission expires 7/23/93

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)

STEVENS NESS LAW PUB CO. PORTLAND ORE

Grantor

Beneficiary

SPACE RESERVED
 FOR
 RECORDER'S USE

AFTER RECORDING RETURN TO
 Aspen Title & Escrow, Inc.
 525 Main Street
 Klamath Falls, OR 97601

STATE OF OREGON,
 County of Klamath) 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/tile/instrument/microfilm/reception No. _____. Record of Mortgages of said County. Witness my hand and seal of County affixed.

NAME _____ TITLE _____
 By _____ Deputy

EXHIBIT "A"

PARCEL 1:

The Easterly 199.7 feet of Lots 1 and 2, Block 6, THIRD ADDITION TO ALTAMONT ACRES, in the County of Klamath, State of Oregon, EXCEPTING THEREFROM that portion conveyed to Raymond and Jennett Schiffman, which portion is described as follows:

Beginning at the Northeast corner of Lot 1, Block 6, THIRD ADDITION TO ALTAMONT ACRES; thence South 0 degrees 09' East along the East line of Lots 1 and 2, a distance of 238.9 feet to the Southeast corner of Lot 2 of said Block 6; thence South 89 degrees 38' West along the South line of said Lot 2, a distance of 99.7 feet; thence North 0 degrees 09' West a distance of 158.9 feet; thence South 89 degrees 38' West a distance of 19.0 feet; thence North 0 degrees 09' West a distance of 80 feet to the North line of said Lot 1; thence North 89 degrees 38' East, a distance of 118.7 feet to the point of beginning, being a portion of Lots 1 and 2, Block 6, THIRD ADDITION TO ALTAMONT ACRES.

CODE 41 MAP 3909-10CA TL 200

PARCEL 2:

A portion of Lot 2, Block 6, THIRD ADDITION TO ALTAMONT ACRES, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the East line of Lot 2, Block 6, THIRD ADDITION TO ALTAMONT ACRES, which lies 150.9 feet South of Northeast corner of Lot 1 of said Block 6; thence continuing South on the East line of said Lot 2, a distance of 88 feet, more or less, to the Southeast corner of said Lot 2; thence West along the South line of said Lot 2 a distance of 99.7 feet to a point; thence North and parallel to the East line of said Lot 2 a distance of 88 feet to a point; thence East and parallel to the South line of said Lot 2 a distance of 99.7 feet to the point of beginning.

CODE 41 MAP 3909-10CA TL 400

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 11th day
of May A.D. 19 92 at 10:37 o'clock A.M. and duly recorded in Vol. M92
of Mortgages on Page 10139
Evelyn Biehn, County Clerk
By [Signature]

FEE \$20.00