

MTC 41565
Reservation of Sub-Surface Rights Rider

The Grantor(s) acknowledge that they are aware of the reservation of sub-surface rights in documents recorded in Klamath County Deed Records as shown by AmeriTitle Company's preliminary title report # 41565, exception number 13. In consideration of Klamath First Federal Savings and Loan Association making the loan to the Grantor(s) subject to the reservation of sub-surface rights, Grantor(s) hereby agree that in the event the Grantor(s) or their successor, heirs or assigns should, at any time, receive any compensation from any party for disturbance or interference of their surface rights resulting from the reservation of the sub-surface rights mentioned in the preliminary title report, the compensation shall be paid to Klamath First Federal Savings and Loan Association as a credit against the outstanding balance of the loan secured by this trust deed.

SEE ATTACHED LEGAL DESCRIPTION

Gregory C. Sherrill
 Grantor: Gregory C. Sherrill

Lee Sherrill
 Grantor: Lee Sherrill

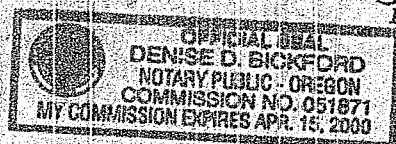
STATE OF OREGON

County of Klamath } ss.

FORM No. 23--ACKNOWLEDGMENT
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BE IT REMEMBERED, That on this 23rd day of May, 1997, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within named Gregory C. Sherrill & Lee Sherrill

known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Denise D. Bickford
 Notary Public for Oregon

My commission expires 4-15-2000

97 MAY 29 P3:18

EXHIBIT 'A'

LEGAL DESCRIPTION

A tract of land situated in the NE1/4 NE1/4 of Section 4, Township 40 South, Range 9, East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a 5/8" rebar on the Section line between Sections 3 and 4, Township 40 South, Range 9, East of the Willamette Meridian, Klamath County, Oregon, from which the Section corner common to Sections 3 and 4, said Township and Range and Sections 33 and 34, Township 39 South, Range 9, East of the Willamette Meridian, Klamath County, Oregon, bears North 0 degrees 54' 4" West 30 feet; thence South 89 degrees 57' 50" West 590 feet parallel to the North line of said Section 4, to a 5/8" rebar; thence South 0 degrees 54' 43" East 438 feet to a 5/8" rebar; thence North 89 degrees 57' 30" East 590 feet to a 5/8" rebar on the Section line between Section 3 and 4, said Township and Range; thence North 0 degrees 54' 43" West 438 feet along said Section line to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of American Title the 29th day
of May A.D., 1997 at 3:13 o'clock P. M., and duly recorded in Vol. 1597
of Deeds on Page 16440

FEE \$15.00

By Bernetha G. Leisch, County Clerk
Kathleen Rose