

TRUST DEED

MTC 41472-SD

SAMUEL S. SHAW
10173 KEEBLE LN
AUMSVILLE, OR 97325

Grantor

TRUSTEES OF THE JACQUELINE M. FLORY AND
1059 PARK STREET
ASHLAND, OR 97520

Beneficiary

After recording return to: ESCROW NO. MT41472-SD

CRATER TITLE INSURANCE CO.
300 WEST MAIN STREET
MEDFORD, OR 97501

TRUST DEED

THIS TRUST DEED, made on JUNE 23, 1997, between
SAMUEL S. SHAW, as Grantor,
AMERITITLE, as Trustee, and
TRUSTEES OF THE JACQUELINE M. FLORY AND GENE T. FLORY LIVING TRUST DATED JULY 21,
1994, as Beneficiary,

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with
power of sale, the property in CLATSOP County, Oregon, described as:
SSB EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise
now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection
with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of
TWENTY THREE THOUSAND TWO HUNDRED Dollars, with interest thereon
according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made payable by grantor, the
final payment of principal and interest hereof, if not sooner paid, to be due and payable June 25 2004.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note
becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be
sold, conveyed, assigned, or alienated by the grantor without first having obtained the written consent or approval of the beneficiary,
then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein or
herein, shall become immediately due and payable.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or im-
provement thereon; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed,
damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary
so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require
and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or
searching agencies as may be deemed desirable by the beneficiary.
4. To provide and continuously maintain insurance on the buildings now or hereafter erected on said premises against loss or damage
by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than the full insurable value,
written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the
beneficiary as soon as insured; if grantor shall fail for any reason to procure any such insurance and to deliver said policies to the
beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the
beneficiary may procure same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by
beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the
entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any
default or notice of default hereunder or invalidate any act done pursuant to such notice.
5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or
assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and
promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance
premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to
make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth
in the note secured hereby, together with obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become
a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for
such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same
extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and
payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed
immediately due and payable and constitute a breach of this trust deed.
6. To pay all costs, fees and expenses of this trust deed including the cost of title search as well as the other costs and expenses of
the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.
7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and
in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed,
to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's
fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or
decrees of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's
or trustee's attorney's fees on such appeal.
It is mutually agreed that:
8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary
shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are

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 696.585.

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in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any such reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the person or persons legally entitled thereto, and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto and that the grantor will warrant and forever defend the same against all persons whomsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

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; [NOTICE: Line out the warranty that does not apply]

(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 mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

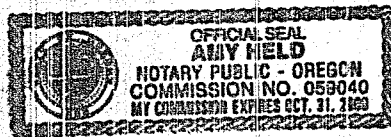
Samuel S. Shaw
SAMUEL S. SHAW

STATE OF OREGON, County of MAXWELL ss.

This instrument was acknowledged before me on JULY 23 1997
By SAMUEL S. SHAW

My Commission Expires Oct 31 2000

John H. Helt
Notary Public for OREGON



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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 the 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 the trust deed or pursuant to statute, to cancel all evidence of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed the estate now held by you under the same. Mail reconveyance and documents to:

DATED: _____, 19____.

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.

Beneficiary

EXHIBIT "A"
LEGAL DESCRIPTION

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PARCEL 1:

The S1/2 SW1/4, SW1/4 SE1/4 lying East of Highway 97 and North and West of Del Fatti Road in Section 30, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the SW1/4 SE1/4 and that portion of SE1/4 SW1/4 Section 30, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Easterly, from a 3/4 inch iron pipe located at the intersection of the North boundary of the SE1/4 SW1/4 and the Southeasterly highway right of way, 607 feet along a fence line, generally accepted as the North boundary of the SE1/4 SW1/4, to a 3/4 inch iron pipe, to the point of beginning; thence South 1 degree 54' 40" West a distance of 455.3 feet to a 3/4 inch iron pipe reference monument; thence South 1 degree 54' 40" West a distance of 10.3 feet to the center of an irrigation ditch; thence South 89 degrees 41' 10" West along the center line of said irrigation ditch as the same is presently located and constructed, 285 feet; thence due South to the center line of Del Fatti Road a distance of 855 feet, more or less; thence Easterly, along the center line of said road to the Southeast corner of the SE1/4 SW1/4; thence Northerly along the Easterly line of the SE1/4 SW1/4 to the Northerly boundary of said SE1/4 SW1/4; thence Westerly along the Northerly boundary of the SE1/4 SW1/4 a distance of 230 feet more or less to the point of beginning. EXCEPTING THEREFROM those portions deeded to the public for road purposes in Deed Book 297 at page 258.

ALSO EXCEPTING THEREFROM a piece or parcel of land situate in the S1/2 SW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Commencing at the point of intersection of the section line marking the Southerly boundary of said Section 30, with a line parallel with and fifty feet distant at right angles Southeasterly from the center line of the Klamath Falls-Midland section of the Oregon State Highway, as the same is now located and constructed, from which point of intersection the Southwesterly corner of the said Section 30 bears South 89 degrees 42 1/2' West, 827.1 feet, more or less, and running thence North 89 degrees 42 1/2' East, 344.87 feet along said section line to the true point of beginning of this description; thence North 36 degrees 49 1/2' East 163.03 feet, more or less, to a point in a line parallel with and 130.00 feet distant at right angles Northerly from said section line, thence North 89 degrees 42 1/2' East, along said parallel line 74.32 feet, thence South 0 degrees 17 1/2' East 130.00 feet, more or less, to a point in the said section line; thence South 89 degrees 42 1/2' West, along the said section line 172.70 feet, more or less, to the said point of beginning.

ALSO EXCEPTING THEREFROM a piece or parcel of land situate in the S1/2 of the SW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and more particularly described as follows:

Commencing at the point of intersection of the section line marking the Southerly boundary of the said Section 30, with a line parallel with and 50 feet distant at right angles Southeasterly from the center line of the Klamath Falls-Midland section of the Oregon State Highway, as the same is now located and constructed, from which point of intersection the Southwesterly corner of the said Section 30 bears, South 89 degrees 42 1/2' West, 827.1 feet, more or less distant, and running thence North 36 degrees 49 1/2' East, along said parallel line 337.62 feet to the true point of beginning of this description; thence South 53 degrees 10 1/2' East, 250.0 feet; thence South 36 degrees 49 1/2' West, and parallel with the said center line of Klamath Falls-Midland section of the Oregon State Highway 148.43 feet, more or less, to a point in the said section line marking the Southerly boundary of the said Section 30; thence South 89 degrees 42 1/2' West, along said section line 275.9

(continued)

EXHIBIT "A"

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Legal Description (continued)

feet, more or less, to its intersection with a line parallel with and 80 feet distant at right angles Southeasterly from the said center line of the Klamath Falls-Midland section of the Oregon State Highway; thence North 36 degrees 42 1/2' East, along said parallel line

259.37 feet; thence North 53 degrees 10 1/2' West, 30.00 feet, more or less, to a point in the said line parallel with and 50.00 feet distant at right angles Southeasterly from the said center line of the Klamath Falls-Midland section of the Oregon State Highway; thence North 36 degrees 49 1/2' East, along said last mentioned parallel line 55.55 feet to the said true point of beginning; EXCEPTING therefrom, that portion of said property lying within the limits of roads and highways.

AND FURTHER EXCEPTING THEREFROM a piece or parcel of land situate in the S1/2 of the SW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian in Klamath County, Oregon, and more particularly described as follows:

Commencing at the point of intersection of the section line marking the Southerly boundary of the said Section 30 with a line parallel with and 50.00 feet distant at right angles Southeasterly from the center line of the Klamath Falls-Midland section of the Oregon State Highway as the same is now located and constructed, from which point of intersection the Southwesterly corner of the said Section 30 bears South 89 degrees 42 1/2' West 827.1 feet, more or less distant, and running North 36 degrees 49 1/2' East, along said parallel line 337.62 feet to the true point of beginning of this description; thence North 53 degrees 49 1/2' East, and continuing along said parallel line 200.0 feet; thence South 36 degrees 10 1/2' East 250.0 feet; thence South 36 degrees 49 1/2' West, and parallel with said center line of the Klamath Falls-Midland section of the Oregon State Highway 200.0 feet, thence North 53 degrees 10 1/2' West 250.0 feet, more or less, to the said point of beginning.

ALSO EXCEPTING THEREFROM a tract of land beginning at a point on the Northerly right of way line of the county road which lies 159.2 feet West and 30 feet North of the Southeast corner of the SW1/4 SE1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian and running thence; East along the North line of the county road and 30 feet Northerly at right angles from the South line of Section 30 a distance of 129.2 feet; thence North along the West right of way line of the county road and 30 feet Westerly at right angles from the East line of the SW1/4 SE1/4 of Section 30 a distance of 129.2 feet; thence Southwesterly following the arc of a 44 degrees 21' curve to the right a distance of 202.93 feet, more or less, to the point of beginning (the long chord of this curve bears South 45 degrees West).

AND EXCEPTING THEREFROM a piece or parcel of land situate in the S1/2 of the SW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian in Klamath County, Oregon, and more particularly described as follows:

Commencing at the point of intersection of the section line marking the Southerly boundary of the said Section 30, with a line parallel with and 50.00 feet distant at right angles Southeasterly from the center line of the Klamath Falls-Midland section of the Oregon State Highway, as the same is now located and constructed, from which point of intersection of the Southwesterly corner of said section bears South 89 degrees 42 1/2' West 827.1 feet, more or less, distant and running thence North 89 degrees 42 1/2' East 517.57 feet, along said section line to the true point of beginning of this description, and running thence North 0 degrees 17' West 130.00 feet; thence South 89 degrees 42 1/2' West 74.32 feet, more or less, to a point in a line parallel with and 325.00 feet distant at right angles Southeasterly from the said center line of the Oregon State Highway; thence North 36 degrees 49 1/2' East along said parallel line 188.11 feet; thence North 89 degrees 42 1/2' East parallel with said Section line, 110.81 feet; thence South 0 degrees 17 1/2' East 280.00 feet, more or less, to a point in said Section line; thence South 89 degrees 42 1/2' West 150.00 feet, more or less, along said Section line to said true point of beginning.

(continued)

Legal Description (continued)

A tract of land in the S1/2 SW1/4, Section 30, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Commencing at the point of intersection of the Section line marking the Southerly boundary of said Section 30 with a line parallel with and 50 feet distant at right angles Southeasterly from the center line of the Klamath Falls-Midland Section of the Oregon State Highway as the same is now located and constructed, from which point of intersection the Southwesterly corner of said Section 30 bears South 89 degrees 42 1/2' West 827.1 feet, more or less, distant and running thence North 89 degrees 42 1/2' East 667.57 feet along said Section line to the true point of beginning of the tract to be herein described; thence North 0 degrees 17 1/2' West 280 feet; thence North 89 degrees 42 1/2' East and parallel with said Section line 50 feet to a point; thence South 0 degrees 17 1/2' East 280.00 feet, more or less, to a point in said Section line; thence South 89 degrees 42 1/2' West 50 feet, more or less along said Section line to said true point of beginning;

AND EXCEPTING THEREFROM

A tract of land in S1/2 SW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Commencing at the point of intersection of the section line marking the Southerly boundary of said Section 30 with a line parallel with and 50 feet distant at right angles Southeasterly from the center line of the Klamath Falls-Midland section of the Oregon State Highway, as the same is now located and constructed from which point of intersection the Southwesterly corner of said Section 30 bears South 89 degrees 42 1/2' West 827.1 feet, more or less, and distant and running thence North 89 degrees 42 1/2' East, 717.57 feet along said section line to the true point of beginning of the tract to be herein described; thence North 0 degrees 17 1/2' West, 280 feet; thence North 89 degrees 42 1/2' East and parallel with said section line, 150.0 feet to a point; thence South 0 degrees 17 1/2' East, 280.00 feet, more or less, to a point in said section line; thence South 89 degrees 42 1/2' West, 150.0 feet, more or less, along said section line to said true point of beginning.

AND EXCEPTING THEREFROM

A piece or parcel of land situated in the SE1/4 SW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian in Klamath County, Oregon, being more particularly described as follows: Beginning at the point of intersection of the Southerly boundary of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, and a line parallel with and 50.00 feet distant at right angles Southeasterly from the centerline of the Klamath Falls-Midland section of the Oregon State Highway, as the same is presently located and constructed, and from which point of intersection the Southwesterly corner of said Section 30 bears South 89 degrees 42' 30" West, 827.1 feet distant; thence North 36 degrees 49' 30" East, parallel to the centerline of said highway 1,071.5 feet to a 3/4" iron pipe and the true point of beginning of this description; thence North 89 degrees 41' 10" East, along the centerline of an existing irrigation ditch, as the same is presently located and constructed, 943.8 feet to a point; thence North 1 degree 54' 40" East 10.3 feet to an iron pipe reference monument; thence North 1 degree 54' 40" East 435.3 feet to a 3/4" iron pipe in the existing east-west fence which is generally accepted as the North boundary of the SE1/4 SW1/4 of said Section 30; thence South 89 degrees 59' 10" West along said existing fence 607.0 feet to a 3/4 inch iron pipe at the intersection with the Southeasterly Highway right-of-way fence; thence South 36 degrees 50' West along said existing right-of-way fence 587.7 feet, more or less, to the true point of beginning.

(continued)

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EXHIBIT "A"
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Legal Description (continued)

PARCEL 2:

Lots 3, 5, 6, 7 and 8 of Block 1 and Lots 1, 9 and 10, Block 2, SECOND ADDITION to the City of Chiloquin, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 24th day
of June A.D., 19 97 at 3:52 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 19635.
FEE \$40.00 By Bernetha G. Letsch, County Clerk
Kathleen Ross