

PARTIAL RECONVEYANCE

KNOW ALL MEN BY THESE PRESENTS, That the undersigned trustee, or successor trustee, under that certain trust deed dated December 20, 1996, executed and delivered by Leonard Ballo, An Estate in Fee Simple as grantor and in which South Valley Bank & Trust is named as beneficiary, recorded December 19, 1996, in volume No. M96 at page 39347 and as microfilm No. 30164 of the mortgage records of Klamath County, Oregon, having received from the beneficiary under said deed or beneficiary's successor in interest, a written request to reconvey a portion of the real property covered by said trust deed, does hereby, for value received, grant, bargain, sell and convey, but without any covenant or warranty, express or implied, to the person or persons legally entitled thereto, all of the estate held by the undersigned in and to the following described portion of the real property covered by said trust deed, to-wit:

That portion of Parcel 3, Land Partition 24-92, Situated in Section 15, lying South of the South Boundary of the Klamath Falls-Lakeview Highway (State Highway 140), Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, State of Oregon.

The remaining property described in said trust deed shall continue to be held by the said trustee under the terms of said deed. This partial reconveyance is made without affecting the personal liability of any person for payment of the indebtedness secured by said trust deed.

In construing this instrument and whenever the context so requires the singular includes the plural.

IN WITNESS WHEREOF, the undersigned trustee has executed this document; if the undersigned is a corporation, it has caused its name to be signed and seal affixed by an officer duly authorized thereto by order of the Board of Directors.

DATED: NOVEMBER 20, 1998.

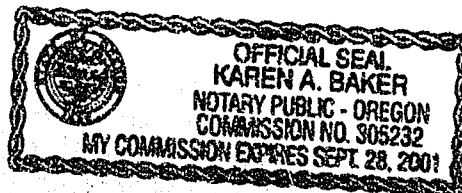
STATE OF OREGON)
County of Klamath) ss.

William P. Brandsness (Trustee)

Personally appeared the above-named William P. Brandsness and acknowledged the foregoing instrument to be its voluntary act. Before me:

Karen A. Baker
Notary Public for Oregon
My Commission expires: 9/28/01

After recording return to:
SOUTH VALLEY BANK & TRUST
P.O. Box 5210
Klamath Falls, OR 97601



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley Bank the 2nd day
of December A.D., 19 98 at 2:11 o'clock P. M., and duly recorded in Vol. M98
of Mortgages on Page 44062

FEE \$10.00

By Bernetha G. Letsch, County Clerk