

PARTIAL RECONVEYANCE

MT 46262-LW

KNOW ALL MEN BY THESE PRESENTS, That the undersigned Trustee, or Successor Trustee, under that certain trust deed dated October 16, 1997, executed and delivered by The Pennbrook Company, an Oregon corporation as Grantor and Running Y Resort, an Oregon corporation as beneficiary, recorded in Volume M97 page 34865, Microfilm Records of Klamath County, Oregon having received from the Beneficiary under said trust deed or Beneficiary's successor in interest a written request to reconvey a portion of real property covered by said trust deed, does hereby, for value received, grant, bargain, sell and convey, but without 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:

Lot 302, RUNNING Y RESORT, PHASE 4, TRACT 1328, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The remaining property described in said trust deed shall continue to be held by the said Trustee under the terms of said trust 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 by an officer or another person duly organized to do so by order of its Board of Directors.

Dated: December 2, 1998

AMERITITLE

By: [Signature]

Jean Phillips, Assistant Secretary

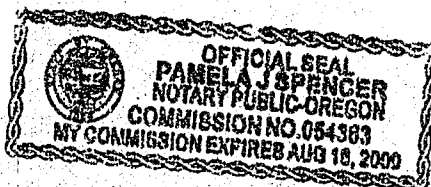
State of Oregon, County of Klamath) ss.

This instrument was acknowledged before me this 22nd day of October, 1998

by Jean Phillips as Assistant Secretary of AMERITITLE.

[Signature]
Notary Public for Oregon
SEAL

8/16/2000
My commission expires



Return:
Don Bauhofer
The Pennbrook Company
869 Wall St. Suite 204
Bend, OR 97701

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 3rd day
of December A.D., 19 98 at 3:31 o'clock P. M., and duly recorded in Vol. M98
of Mortgages on Page 44303

FEE \$10.00

By [Signature] Bernetha G. Letsch, County Clerk