

AMT 48163

TRUST DEED

After recording, this Trust Deed shall be delivered to:

Neil R. Bryant
BRYANT LOVLIE & JARVIS PC
P.O. BOX 1151
BEND, OR 97709-1151

Trust Deed made this 24th day of JUNE, 1999, between TODD S. HESTER and VALERIE A. HESTER, husband and wife, as Grantor, and CAROL^S RECTOR, as Beneficiary, and NEIL R. BRYANT, as Trustee.

Grantor conveys to Trustee in trust with the power of sale the following described property in Klamath County, Oregon: See Exhibit "A" attached hereto and by this reference incorporated herein.

SUBJECT TO THE FOLLOWING:

1. All encumbrances of record.
2. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
3. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Walker Range Timber.
4. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
5. An easement 30 feet in width for ingress and egress adjacent to an Northerly of the South line of the above described property, as disclosed in Quitclaim Deed recorded October 21, 1977 in Volume M77, page 20267, Microfilm Records of Klamath County, Oregon.
6. An easement created by instrument, subject to the terms and conditions thereof, dated December 31, 1980, recorded February 17, 1980, in Volume M80, at page 2653, Microfilm Records of Klamath County, Oregon in favor of Midstate Electric Cooperative, Inc., a cooperative corporation for electric transmission and distribution lines.

This Trust Deed is for the purpose of securing performance of a promissory note of even date executed by Grantor and payable to Beneficiary in the amount of \$150,000.

Grantor agrees:

1. To protect, preserve and maintain said property in good condition and repair and not to commit or permit any waste of said property.
2. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.
3. To keep the property free from all liens and to pay all taxes, assessments, maintenance charges or other charges that may be levied or assessed upon or against said property before the same become past due or delinquent. Beneficiary, at her option, may pay such items when the same become delinquent and the amount so paid shall be added to the principal owing under the promissory note above described at the same rate of interest and with costs for collection.
4. To pay all costs, fees and expenses incurred by Beneficiary or Trustee under this agreement, including the costs of title search and other costs and expenses incurred in connection with or enforcing this obligation, including attorneys' fees.
5. Upon default by Grantor of any provision of this agreement, Beneficiary may declare all sums secured hereby to be immediately due and payable.
6. To maintain adequate fire insurance coverage on improvements on the said property, with Beneficiary named as an additional insured and as a loss payee to the extent of their interest. Such certificates evidencing such insurance and bearing endorsements requiring ten (10) days' written notice to Beneficiary prior to any change or cancellation of insurance. Such certificates shall be provided to Beneficiary at time of closing.
7. Shall not sell, transfer, or assign their interest in this contract, or any interest in said real property, without first obtaining the written consent of the Beneficiary.

Grantor is the owner of the above described property free and clear of any encumbrances, except those above described and will warrant and defend the same against all persons.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO

DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES
AS DEFINED IN ORS 30.930.

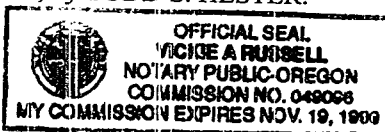
IN WITNESS WHEREOF, Grantor has executed this agreement the day and year first above
written.

Todd S. Hester
TODD S. HESTER

Valerie A. Hester
VALERIE A. HESTER

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 24th day of JUNE,
1999, by TODD S. HESTER.



Vickie A. Russell
Notary Public for Oregon
My Commission Expires 11-19-1999

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 24th day of JUNE,
1999, by VALERIE A. HESTER.



Vickie A. Russell
Notary Public for Oregon
My Commission Expires 11-19-1999

EXHIBIT "A"
LEGAL DESCRIPTION

26347

PARCEL 1

A parcel of land situate in the W1/2 SE1/4 SW1/4 of Section 25, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the West 1/16 corner common to Sections 25 and 36, a #5 by 45" aluminum capped steel rod; thence along the West 1/16 Section line, North 00 degrees 00' 04" East, 561.40 feet to a point, a 3/4" by 30" pipe at the East end of the centerline projection of Airstrip Road; thence along said centerline, North 62 degrees 46' 52" East 205.91 feet to a point, being the true point of beginning; thence North 00 degrees 00' 35" West 670.30 feet to a point along the South 1/16 Section line, a #5 by 30" steel rod; thence along said South 1/16 line, North 89 degrees 42' 14" East 378.44 feet to a point, a #5 by 48" steel rod; thence South 00 degrees 00' 33" East, 473.63 feet to a point in the centerline projection of Airstrip Road; thence along said centerline, South 62 degrees 46' 52" West 425.51 feet to the point of beginning, TOGETHER WITH a strip of land 30 feet in width, lying along the Southern bound hereof and against the centerline projection of Airstrip Road, for the purposes of ingress and egress and heretofore expressed in Deed Volume M77, page 12062, Microfilm Records of Klamath County, Oregon.

EXCEPTING THEREFROM a parcel of land situate in the Southwestern part of the above described parcel, which the grantors herein reserve unto themselves, and more particularly described as follows:

Commencing at the West 1/16 corner common to Sections 25 and 36, a #5 by 48" aluminum capped steel rod; thence along the West 1/16 Section line, North 00 degrees 00' 04" East, 561.40 feet to a point, a 3/4" by 30" pipe at the East end of the centerline projection of Airstrip Road; thence along said centerline, North 62 degrees 46' 52" East 205.91 feet to a point, being the true point of beginning; thence North 00 degrees 00' 35" West 391.65 feet to a point, a #5 by 30" steel rod; thence along a line parallel to the South 1/16 Section line, North 89 degrees 42' 14" East 180.00 feet to a point, a #5 by 30" steel rod; thence South 00 degrees 00' 35" East 300.00 feet to a point along the centerline projection of Airstrip Road; thence along said centerline, South 62 degrees 46' 52" West 202.39 feet to the point of beginning, TOGETHER WITH a strip of land 30 feet in width, lying along the Southern bound hereof and against the centerline projection of Airstrip Road, for the purposes of ingress and egress and heretofore expressed in Deed Volume M77, page 12062, Microfilm Records of Klamath County, Oregon.

PARCEL 2

A parcel of land situate in the W1/2 SE1/4 SW1/4 of Section 25, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the West 1/16 corner common to Sections 25 and 36, a #5 by 48" aluminum capped steel rod; thence along the West 1/16 Section line, North 00 degrees 00' 04" East, 561.40 feet to a point, a 3/4" by 30" pipe at the East end of the centerline projection of Airstrip Road; thence along said centerline, North 62 degrees 46' 52" East 205.91 feet to a point, being the true point of beginning; thence North 00 degrees 00' 35" West 391.65 feet to a point, a #5 by 30" steel rod; thence along a line parallel to the South 1/16 Section line, North 89 degrees 42' 14" East 180.00 feet to a point, a #5 by 30" steel rod; thence South 00 degrees 00' 35" East 300.00 feet to a point along the centerline projection of Airstrip Road; thence along said centerline, South 62 degrees 46' 52" West 202.39 feet to the point of beginning, TOGETHER WITH a strip of land 30 feet in width, lying along the Southern bound hereof and against the centerline projection of Airstrip Road, for the purposes of ingress and egress and heretofore expressed in Deed Volume M77, page 12062, Microfilm Records of Klamath County, Oregon.

PAGE 3 OF REPORT NO 48163

PRELIMINARY REPORT

Form No. 141A

State of Oregon, County of Klamath
Recorded 7/01/99, at 11:34 a. m.
In Vol. M99 Page 26347
Linda Smith,
County Clerk

Fee \$ 25 KR

PRELIMINARY REPORT ONLY