

1999 DEC 29 AM 11: 07

M.D.C. 46650-KR
RELEASE OF ASSIGNMENT OF RENTS

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PARTIES:

South Valley Bank & Trust
Formerly South Valley State Bank
803 Main Street / P O Box 5210
Klamath Falls, OR 97601

("Lender")

AND:

James R Lancaster and Janice ("Grantor")
35105 Sprague River Rd
Sprague River, OR 97639

RECITALS:

In consideration of an extension of credit by the Lender to the Grantor, the grantor executed and delivered to the lender and Assignment of Rents, dated February 22, 1989, recorded on February 28, 1989, in Volume M89 at page 5558 Mortgage Records in the office of the Klamath County Clerk concerning the real property described in Exhibit A attached hereto.

The Grantor has satisfied their obligations under the extension of credit and have requested this Release of Assignment of Rents.

RELEASE

For and in consideration of the satisfaction of the obligations under the extension of credit the Lender does hereby release the above mentioned Assignment of Rents and discharges the above mentioned real property from the claim thereof by the lender.

SOUTH VALLEY BANK & TRUST

BY: Vergie Wright Stephain
Vergie Wright Stephain
Vice-President

STATE OF OREGON)

) ss. _____ January 11, 1999

County of Klamath)

Personally appeared Vergie Wright Stephain who, being duly sworn, stated she is Vice-President of South Valley Bank & Trust and that said instrument was signed on behalf of said corporation by authority of its board of Directors, and she acknowledged said instrument to be its voluntary act and deed. Before me

Tammy L. Strop
Notary Public for Oregon
My Commission expires: April 14, 2002

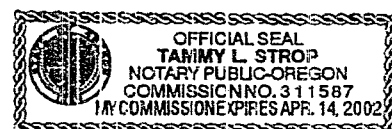


EXHIBIT A

PARCEL 1:

W1/2 W1/2 W1/2 OF LOT 1, SECTION 7, TOWNSHIP 29 SOUTH, RANGE 8, EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 2:

THAT PARCEL OF LAND ENCLOSED BY A LINE STARTING AT POINT 174.98 FEET EAST FROM THE NORTHWEST CORNER OF SECTION 7, TOWNSHIP 29 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, THENCE EASTERLY ALONG THE NORTH BOUNDARY OF SAID SECTION 7 FOR A DISTANCE OF 382.6 FEET, THENCE SOUTHERLY PARALLEL TO THE WEST BOUNDARY OF SAID SECTION 7 FOR A DISTANCE OF 382.6 FEET; THENCE WESTERLY ALONG A LINE PARALLEL TO THE NORTHERN BOUNDARY OF SAID SECTION 7 FOR A DISTANCE OF 382.6 FEET; THENCE NORTHERLY PARALLEL TO THE WEST BOUNDARY OF SAID SECTION 7 FOR A DISTANCE OF 382.6 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF PARCEL NO. 1 AND PARCEL NO. 2 THE PORTION OF LAND MORE PARTICULARLY DESCRIBED AS FOLLOWS: A TRACT OF LAND LOCATED IN SECTION 7, TOWNSHIP 29 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN; BEGINNING AT THE INTERSECTION OF THE NORTH BOUNDARY LINE OF THE KLAMATH INDIAN RESERVATION AND THE EASTERLY LINE OF THE DALLES-CALIFORNIA HIGHWAY; THENCE SOUTHEASTERLY ALONG THE EASTERLY LINE OF SAID HIGHWAY 50 FEET; THENCE NORTHEASTERLY PARALLEL WITH THE NORTH LINE OF SAID KLAMATH INDIAN RESERVATION 200 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE EASTERLY LINE OF SAID HIGHWAY 50 FEET TO THE NORTH LINE OF THE KLAMATH INDIAN RESERVATION; THENCE SOUTHWESTERLY ALONG THE SAID NORTH LINE 200 FEET TO THE TRUE POINT OF BEGINNING.

State of Oregon, County of Klamath
Recorded 12/29/99, at 11:07 a.m.
In Vol. M99 Page 51048
Linda Smith,
County Clerk Fee \$ 15.00