

ATE 31333

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Vol. M87 Page 19436

After Recording Send To:

Donald H. Friedman  
SUSSMAN, SHANK, WAPNICK,  
CAPLAN & STILES  
1111 Orbanco Building  
1001 S.W. Fifth Avenue  
Portland, OR 97204

SECOND MODIFICATION OF TRUST DEED  
TO ADD ADDITIONAL PROPERTY AND  
INCREASE DEBT SECURED

ORIGINAL TRUST DEED recorded December 19, 1984

Grantor: SSC Acquiring Corp., an Oregon corporation

Trustee: Aspen Title and Escrow Company

Original Beneficiary: Specialized Service Co., an Oregon corporation

Original Amount Secured: \$400,000

Recording Information: Volume M84, Page 21166, Klamath County, Oregon

Original Real Property Description: Lots 1C, 2A, 2B, 23A, 24A, 24B, 25A, 25B, 26A, 26B, 27A, 27B, 27C, 28A and 28B, Block 3, and Lots 4, 5, 6, 7 and 8, Block 9, RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon

Assignment: The beneficial interest in the Trust Deed was assigned to Neal L. Eberlein, Susan K. Eberlein, Alan W. Eberlein and Carol L. Eberlein ("Assignees") on January 3, 1985 and was recorded January 11, 1985, Volume M85, Page 696, Klamath County, State of Oregon.

FIRST MODIFICATION recorded: January 2, 1987

Recording Information: Volume M87, Page 00048, Klamath County, Oregon

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REAL PROPERTY AND INCREASE DEBT SECURED

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Real Property    The First Modification added the following  
Description:    additional property:

That portion of Lot A, Block 3, RAILROAD ADDITION, in the County of Klamath, State of Oregon, adjoining Lots 23A through 26A, being more particularly described as follows:

Beginning at the southeast corner of Lot 27A of said Block 3; thence North 89°45' East, 6.30 feet; thence South 00°20'30" East 175.00 feet; thence South 89°45' West 7.35 feet to the southeast corner of said Lot 23A; thence North, along the west line of said Lot A, 175.00 feet to the point of beginning.

#### R E C I T A L S

A. The obligations of Grantor under the original Trust Deed and First Modification have been assumed by Klamath Falls Specialized Service Incorporated ("KFSI") as part of a transaction in which KFSI is purchasing certain of the assets of Grantor. Grantor has been released of and from its liabilities and obligations under the Trust Deed, as modified, and all references in the Trust Deed and First Modification to Grantor shall be deemed to refer exclusively to KFSI.

B. Grantor has conveyed the real property which is subject to the Trust Deed as modified to KFSI.

C. The Trust Deed, as modified, presently secures payment of one of the two promissory notes that were executed as part of the transaction for the purchase of assets by the Grantor. KFSI has agreed that the other Promissory Note in the original amount of \$1,180,566, shall be secured by the Trust Deed as modified. KFSI has also agreed to cause additional property

to be subject to the Trust Deed to secure repayment of both Promissory Notes.

#### A G R E E M E N T

NOW, THEREFORE, in consideration of the Recitals set forth above, and the agreements contained herein, KFSI and Assignees agree as follows:

1. The original Trust Deed and First Modification referenced above are hereby modified to include the following real property, in addition to the property set forth in the original Trust Deed and First Modification:

Lots 1, 2 and 3, Block 9, RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

That portion of Lot A, Block 3, RAILROAD ADDITION, in the County of Klamath, State of Oregon, lying between Lot 2B and 27A, being more particularly described as follows:

Beginning at the Northwest corner of Lot 2B of said Block 3; thence South 109.84 feet to the Southwest corner of said Lot 2B; thence South 89° 45' West, 40.00 feet to the Southeast corner of said Lot 27A; thence North 109.84 feet to the Northeast corner of said Block 27A; thence North 89° 45' East 40.00 feet to the point of beginning.

KFSI conveys the above-described real property to the Trustee named above, in Trust, with the power of sale, for the use and benefit of Assignees, and warrants to Beneficiaries/Assignees that said real property is free and clear

of all liens and encumbrances except as shown on Aspen Title Preliminary Title Report No. 31333 as of July 20, 1987.

The property subject to the Trust Deed includes the following real property:

Lots 1C, 2A, 2B, 23A, 24A, 24B, 25A, 25B, 26A, 26B, 27A, 27B, 27C, 28A and 28B, Block 3, and Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 9, RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon

That portion of Lot A, Block 3, RAILROAD ADDITION, in the County of Klamath, State of Oregon, adjoining Lots 23A through 26A, being more particularly described as follows:

Beginning at the southeast corner of Lot 27A of said Block 3; thence North 89°45' East, 6.30 feet; thence South 00°20'30" East 175.00 feet; thence South 89°45' West 7.35 feet to the southeast corner of said Lot 23A; thence North, along the west line of said Lot A, 175.00 feet to the point of beginning.

That portion of Lot A, Block 3, RAILROAD ADDITION, in the County of Klamath, State of Oregon, lying between Lot 2B and 27A, being more particularly described as follows:

Beginning at the Northwest corner of Lot 2B of said Block 3; thence South 109.84 feet to the Southwest corner of said Lot 2B; thence South 89° 45' West, 40.00 feet to the Southeast corner of said Lot 27A; thence North 109.84 feet to the Northeast corner of said Block 27A; thence North 89° 45' East 40.00 feet to the point of beginning.

2. The original Trust Deed and First Modification are hereby modified to increase the principal amount secured to

\$1,000,000. That amount is evidenced by two (2) Promissory Notes (the "Notes"), both dated December 19, 1984, by SSC Acquiring Corp., as Maker, to Specialized Service Co., as Holder, one entitled "Non-Negotiable Secured Promissory Note" in the present principal balance, of \$640,839.60, and the other entitled "Non-Negotiable Unsecured Promissory Note" in the present principal balance of \$359,160.40.

3. The rights of Grantor to transfer its interest in the real property hereby secured is subject to certain restrictions set forth in the Assignment, Assumption and Release Agreement between Grantor, the Eberleins and certain other parties effective September 30, 1987.

4. The Trust Deed, as modified, is further modified to provide that the interest rate, payment terms or balance due on the obligations secured hereby may be indexed, adjusted, renewed or renegotiated. All references in the Trust Deed, as heretofore modified and as modified hereby, to Grantor and/or SSC Acquiring Corp. and/or Specialized Service Company shall be deemed to refer exclusively to KFSI, and KFSI hereby assumes all liabilities and obligations of Grantor thereunder. Specialized Service Company (formerly SSC Acquiring Corp.) has been released from any and all liabilities and obligations under the Trust Deed, as heretofore modified and as modified hereby.

5. Except as modified herein, all other terms of the Original Trust Deed and First Modification shall remain in full force and effect, and KFSI agrees to be bound by all terms

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therein. The original Trust Deed and First Modification and all terms thereof, as modified by this Second Modification, are incorporated herein by this reference.

Effective the 26th day of October, 1987.

BENEFICIARIES/ASSIGNEES:

Klamath Falls Specialized Service Incorporated

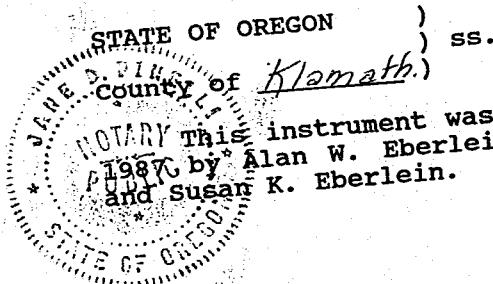
By Lee Stuckert V.P.

Alan W. Eberlein  
Alan W. Eberlein

Carol L. Eberlein  
Carol L. Eberlein

Neal L. Eberlein  
Neal L. Eberlein

Susan K. Eberlein  
Susan K. Eberlein



STATE OF OREGON ) ss.

County of Klamath

This instrument was acknowledged before me on October 21, 1987, by Alan W. Eberlein, Carol L. Eberlein, Neal L. Eberlein, and Susan K. Eberlein.

Jane D. Parilli  
Notary Public for Oregon  
My commission expires: 12/14/87

STATE OF OREGON ) ss.

County of Multnomah

This instrument was acknowledged before me on October 26, 1987 by Lee Stuckert as vice-president of Klamath Falls Specialized Service Incorporated.

Judy M. Alexander  
Notary Public for Oregon  
My commission expires: 07.23.94

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STATE OF OREGON: COUNTY OF KLAMATH: ss.  
Filed for record at request of Aspen Title Company the 26th day of October A.D., 19 87 at 4:46 o'clock P. M., and duly recorded in Vol. M87 of October on Page 19436.  
of Mortgages By Evelyn Biehn County Clerk  
FEE \$30.00