

3,000⁰⁰
 William and Sharon Conrad, after date, each of the undersigned promises to pay to the order of
 Michael and Sharon DeCausis (herein called the payee) at P.O. Box 7845, Klamath Falls, OR 97602, the sum of
 THREE THOUSAND DOLLARS (\$3,000.00),
 together with interest thereon at 15% percent per annum from the date hereof until paid; interest payable
 monthly beginning Oct 15th 1990, 5 day grace and \$10.00 late fee. 2.10% per month for 1 year.

1. To secure the payment of this note and any other liabilities of any of the undersigned to said payee, hereafter arising, the under-
 signed grant to the payee a security interest in the following collateral:

(a) THE BUSINESS KNOWN AS PURPLE DUCK NEWS, LOCATED AT
 2610 ALTAMONT, KFO. IN ITS ENTIRETY, IT BEING FREE AND CLEAR OF
 ALL AND ANY LEINS. IF SOLD, BALANCE DUE TO BE PAID FROM ESCROW.

(b) together with any other property, tangible or intangible, owned by or in which the undersigned, or any thereof, have an inter-
 est which may hereafter be in the possession or control of the payee and

(c) the proceeds and products of all the foregoing.

2. If other liabilities of any of the undersigned to the said payee are in existence when this note is paid, then, notwithstanding the
 surrender of this note, the payee may retain the collateral and, with reference thereto, have all rights and remedies available to him including
 those granted or referred to in this note.

3. The payee may vote the collateral, collect all dividends thereon, receive and take control of any proceeds, transfer all or part of the
 collateral into payee's own name or that of his nominee and notify any person obligated on the collateral of the payee's security interest therein
 and to make payments directly to the payee.

4. The payee shall have no duty to collect or protect the collateral or any proceeds, to preserve the rights of any of the undersigned
 against prior or other parties, to realize on the collateral in any particular manner or to seek reimbursement from any particular source and,
 at his option, may proceed directly against the undersigned, the endorser hereof or any thereof.

5. With reference to this note and also to that portion of the collateral, if any, which includes indebtedness owing to any of the under-
 signed, the payee, at his election, may grant any extensions, postponement of time of payment, indulgence, or permit any substitutions, ex-
 change or release of collateral and may add to or release any parties primarily or secondarily liable without notice to and without releasing any
 of the undersigned or any endorser hereof.

6. The undersigned assume full responsibility for taking any necessary steps to protect any of the collateral in payee's possession in-
 cluding, without limitation, the exercise of any rights respecting the collateral. The payee shall have exercised reasonable care in the preserva-
 tion and protection of the collateral if he takes such action for that purpose as the undersigned shall request in writing, but no omission to
 comply with any such request of itself shall be deemed failure to exercise reasonable care.

7. If this note is placed in the hands of an attorney for collection, each of the undersigned promises and agrees to pay the reasonable
 collection costs of the holder hereof; and if suit or action is filed hereon, also promises to pay (1) holder's reasonable attorney's fees to be fixed
 by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court,
 as the holder's reasonable attorney's fees in the appellate court.

8. If payment of this note is made by any co-maker or endorser the payee is authorized, at his election, to surrender the collateral to
 the person making such payment.

9. The rights and remedies of the payee (as the secured party herein) with respect to all of the above described collateral as well as all
 other collateral in which the payee has a security interest by this note or otherwise shall be those provided by the laws of Oregon.

10. If the payee negotiates or transfers this note he may deliver all or any part of the collateral to the transferee or holder who there-
 upon shall become vested with all the powers and rights herein granted to the said payee. Upon such negotiation or transfer, the payee shall
 be relieved and discharged from any liability or responsibility in connection with the transferred collateral but all rights of the payee shall be
 preserved with respect to any collateral retained by him.

11. The undersigned shall be in default hereunder upon the occurrence of any of the following events:

(a) Failure to pay when due the principal or of interest on this note;

(b) Change in the condition or affairs, financial or otherwise, of any of the undersigned or of any endorser hereof which in payee's
 opinion impairs or decreases his security;

(c) Termination of business or commencement of any insolvency proceedings by or against any of the undersigned or any endorser
 hereof, or if any of the undersigned or endorser hereof dies, or if any of them is a partnership, the death of any partner;

(d) If this note is secured by a security agreement, any default of debtor under the terms of said agreement.

In the event of the occurrence of any of the foregoing events of default or if the payee deems or has reasonable cause to deem himself inse-
 cure, then at the option of the said payee this note as well as all other obligations to payee of any of the undersigned and of any endorser
 hereof shall immediately become due and payable.

12. In construing this instrument, the singular includes the plural and vice versa, the masculine pronoun includes the feminine and the
 neuter and the payee means and includes any holder hereof.

Michael and Sharon DeCausis
 Sharon Conrad

STATE OF OREGON,

COUNTY OF Klamath

) SS.

BE IT REMEMBERED, That on this 22nd day of August, 1990,
 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named
Michael DeCaires and Marsha DeCaires and Sharon Conrad

known to me to be the identical individual _____ described in and who executed the within instrument and acknowledged to
 me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written

Cynthia L. Benson
 Notary Public for Oregon.
 My Commission expires 3-25-93

N-65 11-81

STATE OF OREGON,

COUNTY OF Klamath

) SS.

BE IT REMEMBERED, That on this 22nd day of August, 1990,
 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named
William Conrad

known to me to be the identical individual _____ described in and who executed the within instrument and acknowledged to
 me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written

William Conrad
 Notary Public for Oregon.
 My Commission expires 5-11-94

N-65 11-81

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 11th day
 of Sept. A.D., 19 90 at 2:37 o'clock P.M., and duly recorded in Vol. M90,
 of Miscellaneous on Page 18233

FEE \$10.00

Evelyn Biehn, County Clerk

By Pauline Mueller

Return: Michael DeCaires
 P.O. Box 7845
 Klamath Falls, Or. 97602