

NOTICE OF SECURITY INTERESTPARTIES:

GREGREY L. BAKER, DENISE V. BAKER, and M.D.M. INVESTMENT INC., jointly and severally (Debtor)

KLAMATH INVESTMENT CO., DAMAR HOLDING COMPANY, DAVID C. MONEY, MARVIN D. NELSON, and KLAMATH INVESTMENT MANAGEMENT CO. (Secured Party)

RECITALS:

A. On June 16, 1988, Frank V. Surroz, Jr. and Connie J. Surroz, husband and wife, as lessor, and Damar Holding Company as lessee entered into that certain Lease covering the real property described on the attached Exhibit A. On August 1, 1988, M.D.M. Investment, Inc. as tenant and Damar Holding Company as lessor entered into that certain lease covering the real property described on the attached Exhibit A.


B. Debtor represents that Debtor has certain rights in and to the tenant's interest under the Lease described in the first sentence of Recital A. and the lessor's interest in the lease described in the second sentence of Recital A, pursuant to an Assignment of Leases of even date herewith from Damar Holding Company to Gregory L. Baker and Denise V. Baker.

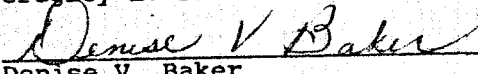
C. The leases described in Recital A. have not been recorded.

NOTICE:

Notice is hereby given that Debtor has granted to Secured Party a security interest in all of Debtor's rights in and to the tenant's interest under the lease described in the first sentence of Recital A. and in the lessor's interest in the lease described in the second sentence of Recital A., under the provisions of a Security Agreement executed contemporaneously herewith between the parties hereto.

DATED this 11th day of September, 1991.


Gregory L. Baker


Denise V. Baker

M.D.M. INVESTMENT, INC.

By Gregory L. Baker

KLAMATH INVESTMENT CO.

By D. C. Money

David C. Money, Partner

By Marvin D. Nelson

Marvin D. Nelson, Partner

DAMAR HOLDING COMPANY

By D. C. Money

David C. Money

By Marvin D. Nelson

Marvin D. Nelson

KLAMATH INVESTMENT MANAGEMENT CO.

By D. C. Money

David C. Money, Partner

By Marvin D. Nelson

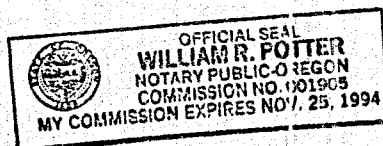
Marvin D. Nelson, Partner

STATE OF OREGON)

) ss.

COUNTY OF LANE)

This instrument was acknowledged before me this 12th day of September, 1991, by GREGREY L. BAKER.

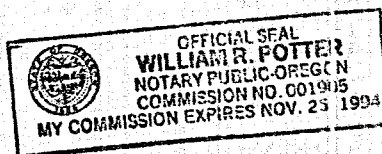

William R. Potter
 Notary Public for Oregon

 My commission expires: 11-25-94

19144

STATE OF OREGON)
COUNTY OF LANE) ss.

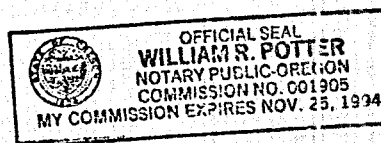
This instrument was acknowledged before me this 12th day of September, 1991, by DENISE V. BAKER.



William R. Potter
Notary Public for Oregon
My commission expires: 11-25-94

STATE OF OREGON)
COUNTY OF LANE) ss.

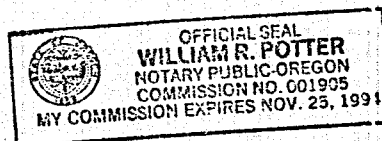
This instrument was acknowledged before me this 12th day of September, 1991, by Gloria L. Baker, President of M.D.M. Investment, Inc., an Oregon corporation.



William R. Potter
Notary Public for Oregon
My commission expires: 11-25-94

STATE OF OREGON)
COUNTY OF LANE) ss.

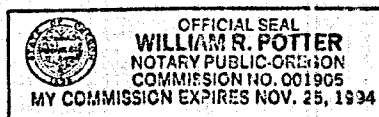
This instrument was acknowledged before me this 11th day of September, 1991, by DAVID C. MONEY, individually and in his capacity as a partner of Klamath Investment Co., a partnership, and a partner of Klamath Investment Management Co., a partnership.



William R. Potter
Notary Public for Oregon
My commission expires: 11-25-94

STATE OF OREGON)
) ss.
COUNTY OF LANE)

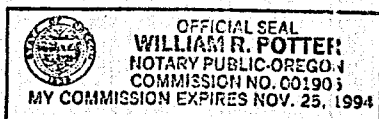
This instrument was acknowledged before me this 12th day of September, 1991, by MARVIN D. NELSON, individually and in his capacity as a partner of Klamath Investment Co., a partnership, and a partner of Klamath Investment Management Co., a partnership.



William R. Potter
Notary Public for Oregon
My commission expires: 11-25-94

STATE OF OREGON)
) ss.
COUNTY OF LANE)

This instrument was acknowledged before me this 11th day of September, 1991, by DAVID C. MORLEY, President of Damar Holding Company, an Oregon corporation.



William R. Potter
Notary Public for Oregon
My commission expires: 11-25-94

A tract of land situated in the NW $\frac{1}{4}$, NW $\frac{1}{4}$ of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, said tract being a portion of Parcel 1 as shown on the recorded Major Land Partition No. 79-37, said tract being more particularly described as follows:

Beginning at a $\frac{1}{2}$ inch iron pin with cap at the intersection of the Southerly right of way line of Hilyard Avenue and the Easterly right of way line of Washburn Way, said iron pin being South 89°06'00" East 64.11 feet and South 00°02'42" East 30.00 feet from the Northwest corner of said Section 10; thence South 89°06'00" East, along the said Southerly right of way line of Hilyard Avenue, 534.46 feet more or less to the West right of way line of Broadmore Street, as described in Volume M87 at page 18488, Microfilm Records of Klamath County, Oregon, thence along said West line of Broadmore Street South 00°09'48" West 560.42 feet to a point on the North line of that tract of land described in Volume M86 at page 6690, Microfilm Records of Klamath County, Oregon, thence North 89°33'43" West along said North line and the North line of Deed Volume M73 at page 10206, Microfilm Records of Klamath County, Oregon, to a $\frac{1}{2}$ inch iron pin with cap on the Easterly right of way line of Washburn Way; thence North 00°02'42" West along said Easterly right of way line, 564.75 feet to the point of beginning, with bearings based on the recorded map of survey of said Major Land Partition 79-37,

Together with the fixtures attached to said premises, including, but not limited to, the paint booth, hoists, outside and interior lights, air compressors and hard air lines.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 23rd day
of Sept. A.D. 19 91 at 12:22 o'clock PM., and duly recorded in Vol. M91
of _____ Mortgages _____ on Page 19142

FEE \$28.00

Evelyn Biehn County Clerk

By Charles Muelenders

Return: Wm. R. Potter
P.O. Box 1475
Eugene, Or. 97440