

When Recorded Return to:

Consuelo C. Taylor
Ford Motor Credit Company
P. O. Box 6044
The American Road
Dearborn, Michigan 48121

mtc 31252
ASSUMPTION AND AMENDMENT TO
DEED OF TRUST AND PROMISSORY NOTE

This Assumption and Amendment to Deed of Trust and Promissory Note (this "Amendment") is dated December 29, 1993, and is entered into between WRAYCO, INC., D/B/A HARVEST FORD-LINCOLN-MERCURY, an Oregon corporation ("Borrower"), whose address is 2833 Washburn Way, Klamath Falls, Oregon 97603, WRAY PARTNERSHIP, an Oregon general partnership, whose address is Route 1, P. O. Box 657-Z, Klamath Falls, Oregon 97601 and FORD MOTOR CREDIT COMPANY, a Delaware corporation ("Lender"), whose address is 1600 Valley River Drive, Suite 190, Eugene, Oregon 97440.

WHEREAS, on June 4, 1987, Lender made a loan to Wray Partnership (the "Loan") and as evidence thereof Wray Partnership made and delivered to Lender a Promissory Note, dated June 4, 1987, payable to Lender or order in the original principal amount of \$1,430,000.00 (the "Note"); and

WHEREAS, the Note is secured by a Deed of Trust dated June 4, 1987 (the "Deed of Trust"), from Wray Partnership, as Grantor, and recorded June 4, 1987 Volume M87, Page 9669, Microfilm Records, in Klamath County, Oregon, encumbering certain real property (the "Property") described in Schedule A attached hereto, situated in Klamath County, Oregon; and

WHEREAS, the obligations of Wray Partnership under the Note were guaranteed by Michael B. Wray ("Michael"), Stephen W. Wray ("Stephen"), Nancy L. Dey ("Nancy"), John W. Dey ("John") and WC Ranch, Inc. ("WC Ranch") pursuant to Guaranties dated June 4, 1987; by Susan W. Hedges ("Susan"), Ramon Hedges ("Ramon") and Judith M. Wray, now known as Judith Wray Nelson ("Judith") pursuant to Guaranties dated May 26, 1987 and by Mark F. Wray ("Mark") and Constance K. Wray pursuant to a Guaranty dated May 27, 1987 (hereinafter, Michael, Stephen, Nancy, John, WC Ranch, Susan, Ramon, Judith and Mark shall be referred to collectively as the "Original Guarantors" and the guaranties dated June 4, 1987, May 26, 1987 and May 27, 1987 shall be referred to collectively as the "Original Guaranties"); and

WHEREAS, title to the Property was transferred to Borrower; and

WHEREAS, Borrower wishes to assume any and all indebtedness and obligations of Wray Partnership under the Note and the Deed of Trust; and

WHEREAS, Borrower also requests an amendment to the Loan to (i) extend the term of the Note for an additional five years, to be evidenced by an Amended

and Restated Promissory Note dated as of even date herewith (the "Amended Note"); and (ii) release Constance K. Wray from her guaranty of the loan; and

WHEREAS, Lender is willing to amend the Note, agree to the assumption and release Constance K. Wray from her guaranty if and only if (i) Borrower executes this Amendment and the Amended Note, (ii) the Original Guarantors consent to the release of the guaranty of Constance K. Wray and guarantee payment and performance of Borrower's obligations under the Note and the Amended Note by executing new Guaranties; (iii) Nancy Coffin and Wray Partnership guarantee payment and performance of Borrower's obligations under the Note and the Amended Note by executing Guaranties; (iv) Borrower and Wray Partnership execute Security Agreements; (v) the title insurance policy insuring the first lien granted Lender under the Deed of Trust is endorsed to show no additional liens or encumbrances on the Property other than shown on such policy on the date of issuance; and (vi) Borrower pays Lender's out-of-pocket closing costs in connection with this transaction, including without limitation, title insurance premiums and fees, escrow fees, recording fees, stamp and documentary taxes, and attorney's fees and expenses;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Borrower, Guarantor and Lender agree as follows:

1. Defined Terms. Unless otherwise defined herein, the defined terms in the Note and the Deed of Trust shall have the same meanings when used herein.

2. Assumption by Borrower. Borrower hereby assumes any and all indebtedness and obligations of Wray Partnership under the Note to the same extent as through the Note had been originally executed by Borrower.

3. Consent by Lender. Lender hereby consents to the assumption by Borrower of the obligations Wray Partnership under the Note.

4. Principal Balance. Borrower and Lender hereby acknowledge that the aggregate Principal Balance as of the date hereof under the Note is \$1,196,386.00, and that the Principal Balance of the Amended Note is \$1,196,386.00.

5. Amendment to Note. The Note is hereby amended in accordance with the Amended Note.

6. Amendment of Deed of Trust. The Deed of Trust is hereby amended to provide as follows:

(a) Section 1.1(i) of the Deed of Trust is hereby amended in its entirety to state as follows:

"(i) Grantor. Wrayco, Inc. d/b/a Harvest Ford-Lincoln-Mercury, an Oregon corporation, and its successors and assigns and successors in interest in and to the Mortgaged Property."

(b) Section 1.1(k) of the Deed of Trust is hereby amended in its entirety to state as follows:

"(k) Guarantor. Collectively, Michael B. Wray, Stephen W. Wray, Judith Wray Nelson, Ramon Hedges and Susan W. Hedges, husband and wife, Mark F. Wray, John W. Dey and Nancy L. Dey, husband and wife, Nancy Coffin, WC Ranch, Inc., an Oregon corporation, and Wray Partnership, an Oregon general partnership, and their respective successors and assigns."

(c) Section 1.1(m) of the Deed of Trust is hereby amended in its entirety to state as follows:

"(m) Indebtedness. The principal of and interest on and all other amounts, payments and premiums due under the Note, and all other indebtedness of Grantor to Beneficiary under and/or secured by the Security Documents, or any amendments, modifications, renewals and extensions of any of the foregoing."

(d) Section 1.1(q) of the Deed of Trust is hereby amended in its entirety to state as follows:

"(q) Note: The Promissory Note, dated June 4, 1987, made by Wray Partnership to the order of Beneficiary, in the original principal amount of \$1,430,000.00, as amended by the Amended and Restated Promissory Note dated December 29, 1993, from Grantor to the order of Beneficiary, in the principal amount of \$1,196,386.00, together with any and all extensions, renewals, modifications and amendments thereof, secured, in part, by this Deed of Trust."

(e) Section 1.1(r) of the Deed of Trust is hereby amended in its entirety to state as follows:

"(r) Obligations. Any and all of the covenants, promises and other obligations (other than the Indebtedness) made or owing by Grantor and others to or due to Beneficiary under and/or as set forth in the Note and/or the Security Documents, and any and all extensions, renewals, modifications and amendments of any of the foregoing."

(f) Section 1.1(t) of the Deed of Trust is hereby amended in its entirety to state as follows:

"(t) Personalty. All furniture, furnishings, equipment, machinery, trade fixtures and all other personal property (other than the Fixtures) now owned or hereafter acquired by Grantor which are now or hereafter used in connection with the Land and the Building or located in, upon or about the Land and the Buildings, together with all accessions, replacements and substitutions thereto or therefor and the proceeds and products thereof."

(g) Sections 1.1(y), 1.1(z), 1.1(aa) and 1.1(bb) are hereby added to the Deed of Trust to state as follows:

"(y) Guaranty. The guaranty, or collectively the guaranties, dated June 4, 1987, executed by the Michael B. Wray, Stephen W. Wray, John W. Dey and Nancy L. Dey, and WC Ranch, Inc., dated May 26, 1987,

executed by Judith M. Wray, Ramon Hedges and Susan W. Hedges, and dated May 27, 1987, executed by Mark P. Wray and Constance K. Wray, and the guaranty, or collectively the guaranties dated _____, 1993, executed by Guarantor guaranteeing the obligations of Grantor under this Deed of Trust, the Note and the Security Documents."

"(z) Hazardous Materials. Any flammable explosives, radioactive materials, oil or petroleum or chemical liquids or solids, liquid or gaseous products or hazardous wastes, toxic substances and similar substances and materials, including all substances and materials defined as hazardous or toxic wastes, substances or materials under any applicable law."

"(aa) Loan. The loan from Beneficiary to Grantor in the original principal amount of \$1,430,000.00 including any amendments, modifications, renewals, increases and extensions thereof and any advances thereunder."

"(bb) Trustee. The person, persons or entity names as such in the preamble of this Deed of Trust and, as the case may be, his their or its successors and assigns."

(h) Section 2.2 of the Deed of Trust is hereby amended in its entirety to state as follows:

"2.2 Condition of Grant. Provided always that if Grantor shall pay or cause to be paid the entire Indebtedness as and when the same shall become due and payable and shall observe, perform and discharge the Obligations, then the Security Documents and the estate and rights granted by Grantor shall cease, terminate and become void, and shall be released or reconveyed by Beneficiary, at the cost and expense of Grantor, and in case of failure of Beneficiary to so release or reconvey, all claims for statutory penalties are hereby waived."

(i) Section 2.3 is hereby added to the Deed of Trust to state as follows:

"2.3 Doctrine of Merger. Upon the foreclosure of the Deed of Trust, no assigned Lease shall be destroyed or terminated by application of the doctrine of merger or as a matter of law unless Beneficiary or any purchaser at such foreclosure sale so elects. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any assigned or subordinate Lease unless Beneficiary or such purchaser gives written notice thereof to the applicable tenant or subtenant."

(j) Sections 3.4, 3.6, 3.7, 3.8 and 3.14 of the Deed of Trust are hereby amended in their entirety to state as follows:

"3.4 Insurance. Grantor will maintain insurance upon the Mortgaged Property against loss by fire and such other hazards, casualties and contingencies as are normally and usually covered by extended coverage policies in effect in the locality where the Mortgaged Property is situated and such other risks as may be specified by Beneficiary, from time to time, in amounts and with insurers acceptable to Beneficiary

but not less than the full replacement value of the Buildings, Fixtures and Personalty. Grantor shall cause each insurance policy issued in connection therewith to provide (and the insurer issuing such policy to certify to Beneficiary) that (a) loss payments will be payable to Beneficiary as its interests may appear, such payments to be applied to the restoration, repair or replacement of the Mortgaged Property; provided, however, that if an Event of Default has occurred and is continuing or an event has occurred and is continuing, which with the passage of time or the giving of notice, would constitute an Event of Default, then, at the option of Beneficiary, such payment shall be applied to the payment of the Indebtedness; (b) the interest of Beneficiary shall be insured regardless of any breach or violation by Grantor of any warranties, declarations or conditions in such policy; (c) if any such insurance policy be subject to cancellation or be endorsed or sought to be endorsed to effect a change in coverage for any reason whatsoever, such insurer will promptly notify Beneficiary and such cancellation or change shall not be effective as to Beneficiary until thirty (30) days after receipt by Beneficiary of such notice; and (d) Beneficiary may, but shall not be obligated to, make premium payments to prevent such cancellation, and that such payments shall be accepted by the insurer. For purposes of this Section 3.4, replacement value of the Buildings, Fixtures and Personalty shall be equal to the cost of replacing the Buildings, Fixtures and Personalty, exclusive of the cost of excavation, foundations and footings below the lowest basement floor and shall be determined from time to time during the term of the Note (but no more frequently than once in any 24 calendar months) at the written request of Beneficiary by an engineer, appraiser, architect or contractor designated by Beneficiary, approved in writing by Grantor, and paid by Grantor. In addition, Grantor shall furnish to Beneficiary duplicate executed copies of each such policy at the time of execution hereof, and copies of each renewal policy not less than thirty (30) days prior to the expiration of the original policy or the preceding renewal policy (as the case may be), together with receipts or other evidence that the premiums thereon have been paid; and furnish to Beneficiary on or before 120 days after the close of each fiscal year of Grantor a statement of Grantor of the amounts of insurance maintained in compliance with this Section 3.4, of the risks covered by such insurance and of the insurance company or companies which carry such insurance."

"3.6 Performance of Leases and Other Agreements. Grantor will duly and punctually perform all covenants and agreements expressed as binding upon it under the Leases and other agreements to which it is a party with respect to the Mortgaged Property or any part thereof, and will use its best efforts to enforce or secure the performance of each and every obligation and undertaking of the respective lessees under the Leases, and will appear and defend, at its cost and expense, any action or proceeding arising under or in any manner connected with the Leases or the obligations and undertakings of any lessee thereunder. Grantor will immediately notify Beneficiary in writing of any notice of default received by Grantor from any tenant thereunder."

"3.7 Inspection. Grantor will permit Beneficiary, at all reasonable times, to inspect the Mortgaged Property. Beneficiary shall have the right to enter onto the Mortgaged Property, at all reasonable times, to inspect the Mortgaged Property for the existence of Hazardous Materials on the Mortgaged Property and to determine the compliance of the Mortgaged Property and its use with any law, rule or regulation relating to industrial hygiene or environmental conditions, including without limitation, soil and ground water conditions and the compliance of the Grantor and the Mortgaged Property with the conditions and covenants set forth herein with respect to Hazardous Materials."

"3.8 Hold Harmless. Grantor will defend and hold Beneficiary harmless from any action, proceeding or claim affecting the Mortgaged Property, or the value of the Note or the Security Documents. Grantor shall appear in and defend (or pay the expenses of Beneficiary to defend, if Beneficiary elects to handle such defense) any action or proceeding purporting to affect the security of this Deed of Trust and/or the rights and/or powers of Beneficiary hereunder, and Grantor shall pay all costs and expenses (including costs of evidence of title and attorneys' fees) in any action or proceeding in which Beneficiary may so appear and/or any suit by Beneficiary to foreclose this Deed of Trust, to enforce any obligations secured by this Deed of Trust, and/or to prevent the breach hereof. Grantor's obligations under this Section 3.8 shall survive payment of the Indebtedness."

"3.14 Representations and Warranties of Grantor. Grantor hereby represents and warrants to Beneficiary that:

"(a) Grantor and Guarantor are each qualified to do business in every jurisdiction in which the nature of its business or properties makes such qualification necessary, and is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to Grantor or Guarantor, as the case may be."

"(b) The Note, the Security Documents and the Guaranty are valid, duly authorized, enforceable and will not violate any provision of law (including, but not limited to, any law relating to usury), any order of any court or other agency or government, or any indenture, agreement or other instrument to which Grantor or Guarantor is a party or by which Grantor, Guarantor or any of their property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or violate the articles of incorporation or by-laws or the partnership agreement or the trust agreement, as the case may be, of the Grantor or Guarantor or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Grantor or Guarantor, except as contemplated by the Note and the Security Documents, and no action with respect thereto by Grantor or Guarantor is required."

"(c) No consent or approval of any regulatory body to the execution, delivery and performance of the Note, the Security Documents or the Guaranty or the transactions contemplated thereby is required by law."

"(d) There are no suits, proceedings or investigations pending or threatened against or affecting Grantor or Guarantor, at law or in equity, or before or by any governmental or administrative agency or instrumentality which, if adversely determined, would have a material adverse effect on the business or condition of Grantor or Guarantor."

"(e) No judgment, decree or order of any court or governmental or administrative agency or instrumentality has been issued against Guarantor or Grantor which has or may have any material adverse effect on the business or condition of Guarantor or Grantor."

"(f) All information, reports, papers and data given to Beneficiary with respect to Grantor, Guarantor or others obligated under the terms of the Security Documents are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Beneficiary a true and accurate knowledge of the subject matter thereof."

"(g) Grantor has good and marketable title in fee simple to the Land and Buildings, and good and marketable title to the Fixtures and Personalty, and the right to assign the Leases and Rents to Beneficiary free and clear of any prior assignment, liens, charges, encumbrances, security interests and adverse claims whatsoever except the Permitted Encumbrances."

"(h) Grantor has not executed any prior assignment of the Leases or of its right, title, interest therein or in the Rents to accrue thereunder, Grantor has delivered to Beneficiary a true and complete copy of all of the existing Leases assigned hereunder, together with all amendments, supplements and other modifications, and to the best of Grantor's knowledge, no material default by Grantor or any other person under any existing Lease remains uncured."

"(i) The Permitted Encumbrances have not materially interfered with the operation of the Mortgaged Property, nor does Grantor reasonably foresee any material interference arising from the Permitted Encumbrances during the term of the Note."

"(j) Grantor and Guarantor have filed all Federal, state, county and municipal income tax returns required to have been filed by them and have paid all taxes which have become due pursuant to any assessments received by them, and Grantor and Guarantor do not know of any basis for additional assessment in respect to such taxes."

"(k) The Mortgaged Property is being, and will continue to be, used for commercial purposes."

"(l) The Mortgaged Property is not currently used for agricultural, timber or grazing purposes."

"(m) No release (a "Release") of a Hazardous Material has occurred on the Land or other real property in the state in which the Mortgaged Property is located now or previously owned by Grantor or any of the partners of Grantor (if Grantor is a partnership), or any of the stockholders or other persons having a legal or beneficial interest in Grantor (if Grantor is a corporation, trust or other legal entity). Grantor has not received any notice from any governmental agency or from any tenant under a Lease or from any other party with respect to such Release."

"Breach of such representations and warranties shall constitute an Event of Default under Section 4.5 hereof. Grantor shall promptly give written notice to Beneficiary of any breach under this Section 3.14."

(k) Sections 3.15, 3.16, 3.17, 3.18, 3.19, 3.20 and 3.21 are hereby added to the Deed of Trust to state as follows:

"3.15 Mechanic's Lien. Grantor shall not permit or suffer any mechanic's, materialmen's or other lien to be created or to remain a lien upon any of the Mortgaged Property."

"3.16 Hazardous Materials. (a) Without limiting the generality of Section 3.1 hereof, Grantor shall not cause or permit the violation of any law relating to industrial hygiene or environmental conditions in connection with the Mortgaged Property, including without limitation, soil and ground water conditions; or use, generate, or store any Hazardous Materials on, under or about the Mortgaged Property, except in accordance with all applicable laws; or manufacture or dispose of any Hazardous Materials on, under or about the Mortgaged Property."

"(b) Grantor shall indemnify and hold Trustee and Beneficiary harmless from any loss, liability, damages, cost, expense and/or claim (including without limitation the cost of any fines, remedial action, damage to the environment and cleanup and court related costs and the fees of attorneys and other experts) arising from (i) the use, Release or disposal of any Hazardous Materials on, under or about the Mortgaged Property or the transport of any Hazardous Materials to or from the Mortgaged Property; and (ii) the violation of any law relating to industrial hygiene or environmental conditions in connection with the Mortgaged Property, including soil and ground water conditions; and (iii) the breach of any of the representations, warranties and covenants of Grantor with respect to Hazardous Materials set forth in this Section 3.16 and Section 3.14 hereof. The covenants contained in this Section 3.16 shall survive the payment of the Indebtedness and reconveyance of this Deed of Trust. Such covenants shall also survive delivery of a deed in lieu of foreclosure to Beneficiary and shall survive any foreclosure, whether judicial or non-judicial, of the Real Property by Beneficiary, and shall be for the benefit of Beneficiary, as holder of any security interest in the Real Property or the Indebtedness, or as owner of the Real Property following foreclosure or the delivery of a deed in lieu of foreclosure."

"3.17 Waste. Grantor agrees not to abandon the Mortgaged Property or leave the Mortgaged Property unprotected, unguarded or deserted and not to cause or permit waste to the Mortgaged Property."

"3.18 Transfers, Acquisitions, Mergers, etc. So long as the Loan is outstanding, Grantor shall not sell, exchange, transfer or otherwise dispose of any of Grantor's property, except in the normal course of business; buy, rent, lease or otherwise acquire property from any Dealer Principal (as defined in Section 3.20), or in which any of the Dealer Principals has an interest, direct or indirect; consolidate with or merge into any other business concern or permit any other business concern to consolidate with or merge into Grantor; sell, exchange, transfer, lease or otherwise dispose of all or any substantial part of the capital assets of Grantor; make any payments upon or transfer any assets in satisfaction, in whole or in part, of any indebtedness subordinated to any obligation owing to Beneficiary; or make or have outstanding, except loans and advances specifically disclosed by the most recent financial statement furnished by Grantor to Beneficiary prior to December 29, 1993, any loan or advance to any individual, partnership or corporation, purchase any security of any corporation or invest in the obligations of any individual, partnership or corporation."

"3.19. Indebtedness. Without the prior written consent of Beneficiary, Grantor shall not create or have outstanding any indebtedness for money borrowed except for (a) indebtedness owing to Beneficiary, and (b) indebtedness specifically disclosed by the most recent financial statement or other statements furnished by or on behalf of Grantor to Beneficiary prior to December 29, 1993 and that is not to be paid by the proceeds of the Loan."

"3.20 Compensation. Grantor shall not (a) make any loan to or increase the present annual compensation ("annual compensation" shall mean all forms of compensation, however derived, including, but not limited to salary, bonuses, commissions, loans and expense accounts) of any director, shareholder, officer or manager (referred to collectively as "Dealer Principals" and individually as a "Dealer Principal") of Grantor directly or indirectly, including, without limitation, the increase of the annual compensation of any individual Dealer Principal, so that the annual compensation of such Dealer Principal exceeds \$18,000.00, or (b) permit any Dealer Principal to withdraw from Grantor money or assets in any manner other than the normal and usual course of business, provided. Notwithstanding the foregoing, Grantor shall not make any loan to or increase the present annual compensation of Michael B. Wray, directly or indirectly, so that the annual compensation of Michael B. Wray exceeds \$48,000.00."

"3.21 Dividends. Grantor shall not declare or pay any dividend on any shares of its capital stock, make any other distribution on any such shares or retire or issue any additional shares of its capital stock or other securities."

(1) The following sentence is hereby added to the end of Section 4.7 of the Deed of Trust to state as follows:

"Grantor shall promptly provide Beneficiary with copies of all notices of default received under any other deed of trust or liens."

(m) Section 4.11 of the Deed of Trust is hereby restated in its entirety to state as follows:

"4.11 Due on Sale. If, without the prior written consent of Beneficiary, there is (a) any lease with a term of one year or longer, sale, transfer, assignment, agreement for deed, conveyance, hypothecation or encumbrance, whether voluntary or involuntary, of all or part of the Mortgaged Property or any interest therein, or (b) any sale, assignment, pledge, encumbrance or transfer to a third party of an aggregate of more than 20% of the corporate voting stock of Grantor or Guarantor, if such entity is a corporation, or an aggregate of more than 20% of the partnership interests of Grantor or Guarantor, if such entity is a partnership, or (c) the seizure of the Mortgaged Property, Personalty or Fixtures or attachment of any lien on the Mortgaged Property, whether voluntary or involuntary, which has not been removed or bonded off to Beneficiary's satisfaction within 60 days of such attachment.

(n) Section 5.1.8 of the Deed of Trust is hereby added to state as follows:

"5.1.8 Additional Rights and Remedies. Without without notice, and without releasing Grantor from the Indebtedness or Obligations, and without becoming a mortgagee in possession, Beneficiary and Trustee shall have the right to cure any breach or default of Grantor and, in connection therewith, by themselves or their agents or through a receiver appointed by a court of competent jurisdiction, to enter upon the Mortgaged Property and to do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, but without limitation, to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of either Beneficiary or Trustee, is prior or superior hereto, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; to obtain insurance; to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them."

(o) Section 5.6 of the Deed of Trust is hereby amended in its entirety to state as follows:

"5.6 Payment of Costs, Expenses and Attorneys' Fees. Grantor agrees to pay to Beneficiary immediately and without demand all fees, costs and expenses incurred by Trustee and Beneficiary in the interpretation of or in exercising the remedies under the Note and Security

Documents, including but without limit, court costs and attorneys' fees, whether incurred in litigation or not and including such fees and costs incurred in connection with any event described in Section 4.3 hereof (including, but not limited to, attending meetings of creditors, efforts to modify or vacate any automatic stay or injunction, issues involving discharge or dischargeability or action in regard to a proposed bankruptcy plan) appeals and any anticipated post-judgment collection services, with interest at the greater of the Defaulted Interest Rate or the highest rate payable under any Indebtedness and Obligations, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Mortgaged Property held pursuant to the power of sale granted herein or pursuant to any judicial foreclosure of this instrument, the amount of said costs, expenses and interest in addition to the amount of the other Indebtedness and Obligations as a credit bid, the equivalent of cash."

(p) Sections 7.1, 7.2 and 7.5 of the Deed of Trust is hereby amended in its entirety to state as follows:

"7.1 Security Interest. Grantor hereby grants to Beneficiary a security interest in the Personalty, the Fixtures and the Leases and Rents, and Beneficiary shall have all the rights with respect to the Personalty and the Fixtures afforded to it by the UCC, in addition to, but not in limitation of, the other rights afforded Beneficiary by the Security Documents."

"7.2 Financing Statements. Grantor agrees to and shall execute and deliver to Beneficiary, in form satisfactory to Beneficiary, such "Financing Statements" and such further assurances as Beneficiary may, from time to time, consider reasonably necessary to create, perfect and preserve Beneficiary's liens upon the Personalty, the Fixtures and the Leases and Rents, and Beneficiary, at the expense of Grantor, may or shall cause such statements and assurances to be recorded and re-recorded, filed and re-filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such liens."

"7.5 Further Assurances. Grantor, upon the reasonable request of Beneficiary, will execute, acknowledge and deliver such further instruments (including, without limitation, financing statements, estoppel certificates and declarations of no set-off) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Security Documents, to facilitate the assignment or transfer of the Note and the Security Documents, and to subject to the liens of the Security Documents any property intended by the terms thereof to be covered thereby, and any renewals, additions, substitutions, replacements or betterments thereto. Upon any failure of Grantor to execute and deliver such instruments, certificates and other documents on or before fifteen (15) days after receipt of written request therefor, Beneficiary may make, execute and record any and all such instruments, certificates and Grantor irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor to do so."

(g) Sections 7.20, 7.21 and 7.22, are added to the Deed of Trust to state as follows:

"7.20 Substitution of Trustee. Beneficiary, acting alone, may, from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder. Such instrument, executed, acknowledged and recorded in the manner required by law, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall (without conveyance from the preceding Trustee) succeed to all of the title, estate, rights, powers and duties of such preceding Trustee. Such instrument shall contain the name of the original Grantor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

"7.21 No Representations by Beneficiary. By accepting or approving anything required to be observed, performed or fulfilled or to be given to Beneficiary, pursuant to the Security Documents, including (but not limited to) any officer's certificate, survey, appraisal or insurance policy, Beneficiary shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Beneficiary.

"7.22 Headings. The article headings and the section and subsection captions are inserted for convenience of reference only and shall in no way alter or modify the text of such articles, sections and subsections."

(r) Article 8 is hereby added to the Deed of Trust to state as follows:

"Article 8

"SECURITY INTEREST AND ASSIGNMENT OF LEASES AND RENTS

"8.1 Security Agreement. This Deed of Trust shall also constitute a "Security Agreement" within the meaning of, and shall create a security interest under, the Uniform Commercial Code as adopted by the state in which the Mortgaged Property is located (the "UCC") in the Personalty, the Fixtures and the Leases and Rents. As to the Personalty and Fixtures, the grant, transfer and assignment provisions of this Article 8 shall control over the grant in trust provisions of Article 2 of this Deed of Trust.

"8.2 Assignment of Leases and Rents. In order to further secure payment of the Indebtedness and the observance, performance and discharge of the Obligations, Grantor hereby absolutely and irrevocably assigns and transfers to Beneficiary, all of Grantor's right, title and interest in and to the Leases and the Rents, subject only to the Permitted Encumbrances. Grantor hereby appoints Beneficiary its true and lawful attorney-in-fact, with the right, at

Beneficiary's option at any time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in Grantor's or Beneficiary's name, for all Rents. Notwithstanding the foregoing assignment of Leases and Rents, so long as no Event of Default has occurred which remains uncured, Grantor shall have a license (such license to be deemed revoked upon the occurrence of an Event of Default) to collect, retain and enjoy all Rents, provided that the existence or exercise of such right of Grantor shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Grantor, and any subsequent assignment by Grantor shall be subject to the rights of the Trustee and Beneficiary hereunder. This Assignment shall not be deemed or construed to constitute Beneficiary or Trustee as a mortgagee in possession nor obligate Beneficiary or Trustee to take any action or to incur expenses or perform or discharge any obligation, duty or liability. Exercise of any rights under this Section 8.2.4 and the application of the Rents to the Indebtedness or the Obligations shall not cure or waive any Event of Default."

7. Warranties and Representations of Borrower. Borrower represents and warrants to Lender that Borrower is not in default under the Note or the Deed of Trust or any other loan document delivered to Lender in connection therewith, nor is there a circumstance which, upon the giving of notice or the passage of time or both, would constitute a default under any provision thereof. Borrower stipulates and declares to Lender that Borrower has no charge, claim, demand, plea or set-off upon, for or against the Note, the Amended Note, the Deed of Trust or any other loan documents delivered in connection therewith.

8. Priority of Lien. Nothing contained in this Amendment is intended to impair or diminish the priority or validity of the lien of the Deed of Trust.

9. Rights Granted Lender. All rights granted to Lender under this Amendment shall be in addition to any rights granted to Lender under the Note, the Amended Note, the Deed of Trust or any other loan document delivered in connection therewith.

10. Amendment. Except as specifically amended or modified by this Amendment and the Amended Note, all terms and conditions contained in the Note and the Deed of Trust shall remain in full force and effect as provided therein.

11. Release of Guaranty. Constance K. Wray is hereby released from any and all liability under that certain Guaranty dated May 27, 1987, from Constance K. Wray and Mark F. Wray, to Lender.

"NOTICE: UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE."

IN WITNESS WHEREOF, Borrower, Wray Partnership and Lender have caused this amendment to be signed as of the date and year first above written.

Witness:

Nancy B. Coffin

Nancy B. Coffin
Nancy B. Coffin

WRAYCO, INC., d/b/a HARVEST FORD-
LINCOLN-MERCURY, an Oregon corporation

By

Michael B. Wray President

Attest:

John W. Dey Secretary

WRAY PARTNERSHIP, an Oregon general
partnership

By

Michael B. Wray General Partner

FORD MOTOR CREDIT COMPANY, a
Delaware corporation

By

John M. Brazell Branch Manager

ACKNOWLEDGMENTS

STATE OF Arizona)
COUNTY OF Maricopa) SS

On December 28, 1993, before me, the undersigned, personally appeared Michael B. Wray and John W. Dey, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed this instrument as the President and Secretary, respectively, of WRAYCO, INC., d/b/a HARVEST FORD, and acknowledged to me that said corporation executed it pursuant to its by-laws or a resolution of its board of directors.

Ilona J. Pina
Notary Public in and for
said County and State

My commission expires: My Commission Expires July 8, 1996

STATE OF Arizona)
COUNTY OF Maricopa) SS

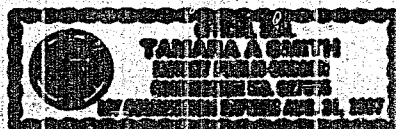
On December 28, 1993, before me, the undersigned, personally appeared MICHAEL B. WRAY, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as the General Partner of WRAY PARTNERSHIP, and acknowledged the execution thereof on behalf of said partnership.

Ilona J. Pina
Notary Public in and for
said County and State

My commission expires: My Commission Expires July 8, 1996

STATE OF OREGON)
COUNTY OF Lane) SS

On December 29, 1993, before me, the undersigned, personally appeared JOHN W. BRAZELL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as the Branch Manager of FORD MOTOR CREDIT COMPANY and acknowledged to me that said corporation executed it pursuant to its by-laws or a resolution of its board of directors.



Tariana A. Smith
Notary Public in and for
said County and State

My commission expires: 8-31-97

SCHEDULE A

Lot 4 in Block 5 of Tract 1080 Washburn Park, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 4th day
of Jan A.D., 19 94 at 11:00 o'clock AM., and duly recorded in Vol. M94
of Mortgages on Page 251.

FEE \$85.00

Evelyn Biehn County Clerk

By

Pauline M. Henderson