

STATE OF OREGON

UNIFORM COMMERCIAL CODE

FINANCING STATEMENT

REAL PROPERTY - Form UCC-1A

THIS FORM FOR COUNTY FILING OFFICER USE ONLY

Klamath City

This FINANCING STATEMENT is presented to the county filing officer pursuant to the Uniform Commercial Code.

1A. Debtor Name(s): HIGH DESERT WOOD PRODUCTS, INC.	2A. Secured Party Name(s): R & S EQUIP. CO.	4A. Assignee of Secured Party (if any): UNITED STATES NATIONAL BANK OF OREGON
1B. Debtor Mailing Address(es): 5201 WALTON DR. KLAMATH FALLS, OR 97603	2B. Address of Secured Party from which security information is obtainable: 2622 SW GLACIER PLACE REDMOND, OR 97756	4B. Address of Assignee: OREGON COMMERCIAL LOAN SERVICING PL-7 555 SW OAK PORTLAND, OR 97204

3. This financing statement covers the following types (or items) of property (check if applicable):

- ☒ The goods are to become fixtures on: _____ ☐ The above timber is standing on: _____
- ☐ The above minerals or the like (including gas and oil) or accounts will be financed at the wellhead or minehead of the well or mine located on: (describe real estate); _____

SEE ATTACHED EXHIBIT TO UCC FINANCING STATEMENT DATED DECEMBER 13, 1996.

and the financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is:

☒ Check box if products of collateral are also covered

Number of attached additional sheets: 4

Debtor hereby authorizes the Secured Party to record a carbon, photographic or other reproduction of this form, financing statement or security agreement as a financing statement under ORS Chapter 79.

Signature of the debtor required in most cases.

Signature(s) of Secured Party in cases covered by ORS 79.4020

By: High Desert Wood Products Inc.

[Signature] Required signature(s) of R & S Equip Co- Manager

1. PLEASE TYPE THIS FORM.

INSTRUCTIONS

2. If the space provided for any item(s) on this form is inadequate, the item(s) should be continued on additional sheets. Only one copy of such additional sheets need to be presented to the county filing officer. DO NOT STAPLE OR TAPE ANYTHING TO THIS FORM.
3. This form (UCC-1A) should be recorded with the county filing officers who record real estate mortgages. This form cannot be filed with the Secretary of State. Send the Original to the county filing officer.
4. After the recording process is completed the county filing officer will return the document to the party indicated. The printed termination statement below may be used to terminate this document.
5. The RECORDING FEE must accompany the document. The fee is \$5 per page.
6. Be sure that the financing statement has been properly signed. Do not sign the termination statement (below) until this document is to be terminated.

Recording Party contact name: _____

Recording Party telephone number: _____

Return to: (name and address)

UNITED STATES NATIONAL BANK OF OREGON
NORTH CASCADES BUSINESS BANKING CENTER
PL-7 OREGON COMMERCIAL LOAN SERVICING
555 S.W. OAK
PORTLAND, OR 97204

594/7320954319

Please do not type outside of bracketed area.

TERMINATION STATEMENT

This statement of termination of financing is presented for filing pursuant to the Uniform Commercial code. The Secured Party no longer claims a security interest in the the financing statement bearing the recording number shown above.

By: _____
Signature of Secured Party(ies) or Assignee(s)

EXHIBIT TO UCC-1A FINANCING STATEMENT

9247

December 13, 1996

This Exhibit is attached to and is a part of the UCC Financing Statement executed in connection with a loan between UNITED STATES NATIONAL BANK OF OREGON and

R & S Equip. Co. (SSN or TIN: 930822655)

COLLATERAL DESCRIPTION: All fixtures; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles, and accounts proceeds)

This Financing Statement is to be recorded in the real estate records. Some or all of the collateral is located on the following described real estate: See Exhibit "A" attached hereto and by reference incorporated herein.

This Exhibit is executed on the same date as the UCC Financing Statement by UNITED STATES NATIONAL BANK OF OREGON and the undersigned.

High Desert Wood Products, Inc.

By: [Signature]

R&S Equip Co. Signature(s) of Debtor(s)

Manager

UNITED STATES NATIONAL BANK OF OREGON

By:

Signature(s) of Secured Party (ies)

#1768

"This Exhibit A is attached to and by this reference is made a part of the Uniform Commercial Code Real Property Form UCC-1A, dated December 13, 1996, and executed in connection with a loan or other financial accommodations between United States National Bank of Oregon and R & S Equipment."

DESCRIPTION OF PROPERTY

A tract of land situated in the SE1/4 of Section 33, Township 38 South, Range 111 East of the Willamette Meridian, Klamath County, being more particularly described as follows:

Beginning at a point on the East line of said SE1/4 from which point the Northeast corner of said SE1/4 bears North 00°02'28" East 300.00 feet; thence South 00°02'28" West, on said East line, 173.96 feet; thence South 71°11'50" West, 582.82 feet; thence South 80°57'06" West, 776.32 feet to a point on the West line of said SE1/4; thence North 00°13'13" East on said West line, 137.61 feet to the Easterly line of a tract of land described in Deed Volume 47 at page 593, Klamath County Deed Records; thence Northeasterly along said Easterly line to a point on the North line of said SE1/4; thence North 89°29'53" East on said North line 591.88 feet to the Northwest corner of a tract of land described in Deed Volume M-78 page 3585, Klamath County Microfilm Records; thence South 00°02'28" West on the West line of the last mentioned tract of land, 300.00 feet to the Southwest corner thereof; thence North 89°29'53" East on the South line of the last mentioned tract of land, 300.00 feet to the point of beginning of this description.

TOGETHER WITH a tract of land situated in the SE1/4 of Section 33, Township 38 South, Range 111 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of said SE1/4; thence North 89°29'53" East along the North line of said SE1/4; 316.66 feet to the Westerly line of a tract of land described in Deed Volume 47 at page 593, Klamath County Deed Records; thence Southwesterly along said Westerly line to the West line of said SE1/4; thence North 00°13'13" East along the West line of said SE1/4, 508.39 feet to the point of beginning.

ALSO a tract of land situated in the SW1/4 in Section 33, Township 33 South, Range 111 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Northeast corner of the SW1/4, thence West along the North quarter line of said SW1/4 a distance of 300 feet, more or less; thence Southeast a distance of 590.30 feet, more or less, to the intersection of the right of way of the OC&E Railroad with the East quarter line of said SW1/4; thence North along the East quarter line of said SW1/4 a distance of 508.39 feet, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 24th day of July A.D., 19 96 at 10:33 o'clock AM and duly recorded in Vol. 896 of Deeds on Page 22225.
By Bernadette G. Latsch, County Clerk

FEES \$40.00

INDEXED

High Desert Wood Products Inc BY: [Signature]
R&S Equip Co BY: [Signature]

TOTAL P. 81

#1768

9249

HIGH DESERT PLANT APPRAISAL

VALUE

DESCRIPTION

SAWMILL

- 1 Carriage: SFP 12', 46" opening, Salem networks, laser positioning lights
- 2 Feedworks: 60HP Salem 200 carriage drive
- 3 Head saw: 150HP Inserted tooth circle saw
- 4 Log turner: Cornith 30" hydraulic log turner
- 5 Infeed: 40' two strand log infeed deck
- 6 Bull edger: 7x36" custom built, three saw with networks and moveable line bar, laser positioning lights, 40HP drive
- 7 Resaw: 5' Salem twin band with hydraulic lineal positioners, Digitron computer networks, two 100HP motor drives
- 8 Pony edger: SFP 4x24" board edger, air networks, moveable line bar, 30HP motor drive
- 9 Trimmer: Portland Iron Works 16' drop saw trimmer 40HP motor drive
- 10 Green chain: 16' x 80' green chain
- 11 Air system: 60HP Worthington two stage with cooler
- 12 Conveyor system: MDI metal detector in waster conveyor
- 13 Slasher saw: 36" automatic cut-to-length
- 14 Hog: Sumner 45
- 15 Building: 60' x 115' clear span Butler sawmill building
- 16 Log splitter: 5HP hydraulic unit, 15HP saw motor
- 17 Chip bin: 27 unit Carothers bin, 15 HP hydraulic unit
- 18 Trailer loader: SFP 5HP unit, 5 ton
- 19 Lumber shed: 50' x 100' clear span Butler

\$76,000

SUBTOTAL

High Desert Wood Products, Inc.
R&S Equip Co.

Page 1

#1768

9250

REMAN PLANT

- 17 Infeed: 20' 3 chain infeed with S drive, 3 arm breakdown holst, 15 HP drive
- 18 Woods planer infeed table
- 19 Planer: Woods 132 planer, 4x10" capacity
- 20 Resaw: Turner 54" tilting bed resaw, 60HP drive
- 21 Trimmer: Irvington 16' board trimmer, individual saws with nine 7.5HP arbor motors
- 22 Dry chain: 20' chain, four lumber carts
- 23 1200 amp service disconnect, 21 section MC center
- 24 Blower system: shavings removal system, 50HP blower and blow pipe, and conveyor system

\$77,800 SUBTOTAL

REMAN PLANT

FILING ROOM

- 25 Left hand #4 Armstrong band saw grinder
- 25 Right hand #4 Armstrong band saw grinder
- 26 Armstrong hand gummer
- 26 24" knife grinder
- 26 Mill-to-pattern cutter head grinder
- 26 #16 Armstrong circle saw grinder
- 26 Bell top and face carbide grinder
- 26 Armstrong stretcher roll

\$10,300 SUBTOTAL

OTHER MACHINERY

PMI shavings baler

\$7,500 SUBTOTAL

\$170,800 TOTAL

High Desert Wood Products, Inc.

R&S Equip Co.

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of U.S. National Bank of Oregon the 31st day
 of March A.D., 19 97 at 2:18 o'clock P. M., and duly recorded in Vol. M97
 of Mortgages on Page 9246

FEE \$25.00

Bernetha G. Letsch, County Clerk
 by Kathleen Ross

Handwritten: 12-12-96