

44509

MTC 42460

TRUST DEED NOTICE OF ADVANCE AND OF SUBROGATION

Reference is made to Grantor's trust deed dated February 11, 1995, recorded February 13, 1995, Volume M95, at page 1321, et seq, in the original amount of \$400,000.00 in favor of original beneficiary, O&E Corporation, an Oregon corporation and assigned unto Lew Tedaldi, beneficiary.

Beneficiary has as of the date hereof paid the entire balance owing under the terms of the first priority deed of trust recorded February 13, 1995, Volume M95, Page 3117, in favor of Aspen Falls, L.L.C., an Oregon limited liability company, and beneficiary is entitled to be subrogated to the priority and the rights of the aforesaid Aspen Falls, L.L.C.

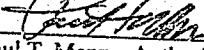
By reason of the aforesaid payment and the pre-existing balance due under the terms of the first referenced trust deed recorded at Volume M95, Page 3121, Records, Klamath County, Oregon, the present balance owing on the aforesaid trust deed in favor of beneficiary Lew Tedaldi is \$2,632,000.00 bearing interest at the rate of 12.00% per annum on the sum of \$2,400,000 commencing on the date hereof until paid.

Grantor herewith promises and agrees to pay to the order of beneficiary Lew Tedaldi the sum of \$2,632,000.00 plus accruing interest thereon in the amount of \$24,000 per month commencing September 1, 1997 until February 28, 1998 when the whole balance shall be then immediately due and payable.

Excepting as modified by this agreement, the trust deed and related loan documents dated February 11, 1995, recorded February 13, 1995, Volume M95, Page 3121, Klamath County Records, shall remain in full force and effect.

DATED this 28 day of August, 1997.

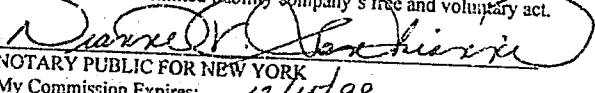
K.F. TRADE CENTER, L.L.C.
an Oregon limited liability company

By 
Paul T. Manza, Authorized and Managing Member

STATE OF NEW YORK)
) ss.
County of Orange)

Personally appeared before me Paul T. Manza, who being personally known to me and is the sole managing member and authorized representative of the above named K.F. Trade Center, L.L.C., an Oregon limited liability company, who executed the foregoing instrument as his and the said limited liability company's free and voluntary act.

DIANNE V. SANTOIANNI
Notary Public, State of New York
No. 4885864
Qualified in Orange County
Commission Expires Dec. 15, 1998


NOTARY PUBLIC FOR NEW YORK
My Commission Expires: 12/15/98

GRANTOR IS:

K.F. Trade Center, L.L.C.
c/o PTM Realty Investments
PO Box 389
Goshen, NY 10924

BENEFICIARY IS:

Lew Tedaldi
PO Box 10
Washingtonville, NY 10992

TRUE CONSIDERATION:

None - This is a mortgage instrument.

SEND ALL TAX STATEMENTS TO:

K.F. Trade Center, L.L.C.
c/o PTM Realty Investments
PO Box 389
Goshen, NY 10924

RECORDED AT THE REQUEST OF and
RETURN TO:

Warren Allen King O'Hara Bennett & Jepsen, LLP
Carlton D. Warren
850 NE 122nd Avenue
Portland, OR 97230

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameri title the 2nd day
of Sept. A.D., 1997 at 3:50 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 28784

FEE \$15.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross