

Space reserved for County Filing Officer use only

State of Oregon

Uniform Commercial Code

Financing Statement

Real Property - UCC-1A

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

1A. Debtor Name(s): HARDER DEVELOPMENT II, LLC, an Oregon limited liability company 2735 12 th Street S.E., Suite 200 Salem, Oregon 97302	2A. Secured Party Name: First Security Bank, N.A. P. O. Box 868 Salem, OR 97308 Loan #801-055	4A. Assignee of Secured Party (if any):
--	---	---

3. This financing statement covers the following:

All of Debtor's equipment, including machinery, office equipment and fixtures and trade fixtures together with all parts, fittings, accessories, special tools, general intangibles, renewals and replacements of all or any part thereof, either now acquired or hereafter acquired and wherever located, and all proceeds thereof on the property described in the attached Exhibit "A" and thereby incorporated herein.

Products of collateral are also covered Number of attached additional sheets 1

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.

DEBTOR'S SIGNATURE(S)

HARDER DEVELOPMENT II, LLC,
an Oregon limited liability company

By:

Jon M. Harder, Managing Member

Date August 24, 1999

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 financing statement bearing the recording number shown above.

SECURED PARTY

By _____ Date _____

INSTRUCTIONS

1. THIS FORM IS TO BE TYPED.
2. If the space provided for any items on this form is inadequate, the items should be continued on additional sheets. Only one copy of such additional sheet is to be presented to the county filing officer. DO NOT STAPLE/TAPE ANYTHING TO THIS FORM.
3. This form (UCC-1A) is to be recorded with the county filing officers who records real estate mortgages. This form shall not 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 is to return the document to the party indicated. The printed termination statement below can be used to terminate this document.
5. RECORDING FEE must be accompany the document. The filing fee is \$5 per page.
6. The financing statement is to be properly executed. Do not sign the termination statement (above) until this document is to be terminated.

RETURN TO:
First Security Bank, N.A.
P. O. Box 868
Salem, OR 97308
ATTN: Nancy Gassner

THIS SPACE IS FOR COUNTY

EXHIBIT "A"

Property Description

PARCEL 1:

That portion of Tract 40B lying South and Westerly of the U.S.B.R. "A" Canal and Easterly of Washburn Way and all of Tract 40C, ENTERPRISE TRACTS, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM that portion deeded to Klamath County in Book 335, Page 87, tract deeded to Fred A. Lewis, et ux., in Book 336, Page 157, and parcel deeded to United States of America for canals and laterals recorded June 25, 1909 in Book 27, Page 236 and in Book 38 at Pages 209 and 210, all Deed Records of Klamath County, Oregon, and that portion of Tract 40C described as follows:

Beginning at a one-half inch iron pin on the East right of way line of Washburn Way, said point being North 00 degrees 20' 00" East along the centerline of Washburn Way and along the West line of Section 34 a distance of 332.19 feet and South 89 degrees 33' 03" East a distance of 30.00 feet from the 5/8 inch iron pin marking the West one-quarter corner of Section 34; thence North 00 degrees 20' 00" East along the East right of way line of Washburn Way a distance of 285.00 feet to a one-half inch iron pin; thence South 89 degrees 33' 03" East parallel with the North line of "Mills Gardens" subdivision a distance of 472.43 feet to a one-half inch iron pin; thence continuing South 89 degrees 33' 03" East a distance of 29 feet, more or less, to the Westerly right of way line of the U.S.B.R. "A" Canal; thence Southeasterly along said Westerly line to the North line of "Mills Gardens" subdivision; thence North 89 degrees 33' 03" West along the North line of "Mills Gardens" subdivision (South 89 degrees 45' West by said subdivision plat) a distance of 20.96 feet, more or less, to a two inch iron pipe; thence continuing North 89 degrees 33' 03" West along said subdivision line a distance of 606.40 feet to the point of beginning.

ALSO EXCEPTING THEREFROM any portion lying within the boundaries of Washburn Way.

PARCEL 2:

A tract of land situated in Tracts 40B and 40C, ENTERPRISE TRACTS, in the NW 1/4 of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at an iron pin located North 0 degrees 24' West a distance of 792.2 feet from the two-inch pipe marking the initial point of "Mills Gardens" subdivision, said initial point being North 0 degrees 24' West a distance of 15.0 feet and North 89 degrees 45' East a distance of 30.0 feet from the West quarter corner of said Section 34 according to the officially recorded plat of said "Mills Gardens" subdivision; thence North 0 degrees 24' West a distance of 85.0 feet to an iron pin; thence North 89 degrees 36' East a distance of 100.0 feet to an iron pin; thence South 0 degrees 24' East a distance of 85.0 feet to an iron pin; thence South 89 degrees 36' West a distance of 100.0 feet, more or less, to the point of beginning.

EXCEPT THEREFROM that portion lying within the boundaries of Washburn Way.

CODE 203 MAP 3809-34BC TL 400
CODE 203 MAP 3809-34BC TL 500
CODE 203 MAP 3809-34BC TL 600

State of Oregon, County of Klamath
Recorded 9/08/99, at 11:01 a.m.
In Vol. M99 Page 35913
Linda Smith,
County Clerk Fee \$10.00