

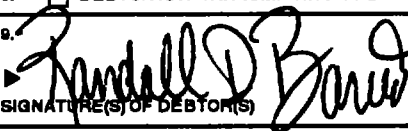

This financing Statement is presented for filing and will remain effective, with certain exceptions, for five years from the date of filing, pursuant to Section 9403 of the California Uniform Commercial Code.

1. DEBTOR <b>BARNES, RANDALL D.</b>		1A. SOCIAL SECURITY OR FEDERAL TAX NO.	
1B. MAILING ADDRESS <b>12174 BORDEN RD.</b>		1C. CITY, STATE <b>HERALD, CA</b>	1D. ZIP CODE <b>95638</b>
2. ADDITIONAL DEBTOR <b>BARNES, JERI</b>		2A. SOCIAL SECURITY OR FEDERAL TAX NO.	
2B. MAILING ADDRESS <b>12174 BORDEN RD.</b>		2C. CITY, STATE <b>HERALD, CA</b>	2D. ZIP CODE <b>95638</b>
3. DEBTOR'S TRADE NAMES OR STYLES		3A. FEDERAL TAX NUMBER	
4. SECURED PARTY <b>STOCKMANS BANK 9340 E. STOCKTON BLVD.  ELK GROVE, CA 95624</b>		4A. FEDERAL TAX NO.  <b>68-0201889</b>	
5. ASSIGNEE OF SECURED PARTY		5A. FEDERAL TAX NO.	

a. This FINANCING STATEMENT covers the following type of property:

See Schedule 1 attached hereto and made a part hereof; 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:  
Parcel 1: Lots 16, 17 and 18 Block D, HOMECREST, according to the Official Plat thereof on file in the office of the Clerk of Klamath County, Oregon. Parcel 2: Lot 19, 20, 21 and 22, Block D, HOMECREST, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon. TOGETHER WITH that portion of vacated Climax Avenue which inured thereto by Order of Vacation recorded in Book 256 of page 19, Deed Records of Klamath County, Oregon.

7A. <input checked="" type="checkbox"/> PRODUCTS OF COLLATERAL ARE ALSO COVERED		7B. DEBTOR(S) SIGNATURE NOT REQUIRED IN ACCORDANCE WITH INSTRUCTION 5(a) ITEM: <input type="checkbox"/> (1) <input type="checkbox"/> (2) <input type="checkbox"/> (3) <input type="checkbox"/> (4)	
8. <input type="checkbox"/> DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH UCC SECTION 9105 (1)(N)			
9. SIGNATURE(S) OF DEBTOR(S)  Randall D. Barnes and Jeri Barnes		DATE: 10-08-2003	
SIGNATURE(S) OF SECURED PARTY(IES)  Stockmans Bank		10. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, FILE NUMBER AND FILING OFFICER)  State of Oregon, County of Klamath Recorded 10/10/03 2:31 p. m. Vol M03 Pg 75714-16 Linda Smith, County Clerk Fee \$ 31.00 # of Pgs 3	
11. Return copy to:  Stockmans Bank PO Box 1150 Elk Grove, CA 95759		C O D E  1 2 3 4 5 6 7 8 9 0	
(1) FILING OFFICER COPY		FORM UCC-1	

SCHEDULE 1

- (a) All present and future inventory and equipment, as those terms are defined in the California Commercial Code, and all other present and future personal property of any kind or nature whatsoever, now or hereafter located at, upon or about the real property (described and incorporated herein) or used or to be used in connection with or relating or arising with respect to the Property and/or the use thereof or any improvements thereto, including without limitation all present and future furniture, furnishings, fixtures, goods, machinery, plumbing and plumbing material and supplies, concrete, lumber, hardware, electrical wiring and electrical materials and supplies, heating and air conditioning material and supplies, roofing material and supplies, window material and supplies, doors, paint, drywall, insulation, cabinets, ceramic material and supplies, flooring, carpeting, appliances, fencing, landscaping and all other materials, supplies and property of every kind and nature.
- (b) All present and future accounts, general intangibles, chattel paper, contract rights, deposit accounts, instruments and documents, as those terms are defined in the California Commercial Code, now or hereafter relating or arising with respect to the Property and/or the use thereof or any improvements thereto, including without limitation (i) all rights to the payment of money, including without limitation escrow proceeds arising out of the sale or other disposition of all or any portion of the Property; (ii) all plans, specifications and drawings relating to the development of the Property and/or any construction thereon; (iii) all use permits, occupancy permits, construction and building permits, and all other permits and approvals required by any governmental or quasi-governmental authority in connection with the development, construction, use, occupancy or operation of the Property; (iv) any and all agreements relating to the development, construction, use, occupancy and/or operation of the Property between Debtor and any contractor, subcontractor, project manager or supervisor, architect, engineer, laborer or supplier of materials; (v) all lease or rental agreements and all rents, security deposits and guaranties relating to such agreements; (vi) all names under the Property is now or hereafter known and all rights to carry on business under any such names or any variants thereof; (vii) all trademarks relating to the Property and/or the development, construction, use, occupancy or operation thereof; (viii) all goodwill relating to the Property and/or the development, construction, use, occupancy or operation thereof; (ix) all insurance proceeds and condemnation awards arising out of or incidental to the ownership, development, construction, use, occupancy or operation of the Property; (x) all reserves, deferred payments, deposits, refunds, cost savings, bonds, insurance policies and payments of any kind relating to the property; (xi) all loan commitments issued to Debtor in connection with any sale or financing of the Property; (xii) the Overrun Account, all deposit accounts of Debtor with Secured Party and all deposit accounts into which any proceeds of the Loan are now or hereafter deposited; (xiii) all water stock, if any, relating to any Property and all shares of stock or other evidence of ownership of any part of or interest in any Property that is owned by Debtor in common with others; and (xiv) all supplements, modifications and amendments to any of the foregoing.
- (c) All fixtures located upon or within the Property or now or hereafter attached to, installed in, or used or intended for use in connection with the Property, including without limitation any and all partitions, generators, screens, awning, boilers, furnaces, pipes, plumbing, elevators, cleaning, call and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, heating, ventilating, air conditioning and air cooling equipment, and gas and electric machinery and equipment.
- (d) All present and future accessions, accessories, additions, attachment, replacements and substitutions of or to any or all of the foregoing.
- (e) All cash and non-cash proceeds and products of any or all of the foregoing, including without limitation all monies, deposit accounts, insurance proceeds and other intangible property received upon a sale or other disposition of any of the foregoing.

**RECORDATION REQUESTED BY:**

Stockmans Bank  
9340 E. Stockton Blvd.  
Elk Grove, CA 95624

**75716**

**WHEN RECORDED MAIL TO:**

Stockmans Bank  
PO Box 1150  
Elk Grove, CA 95759

**Document Title(s)**

**UCC-1 Financing Statement**