

State of Oregon, County of Klamath
Recorded 05/14/2004 10:34 a m
Vol M04 Pg 29838-42
Linda Smith, County Clerk
Fee \$ 4.00 # of Pgs 5

'04 MAY 14 AM 10:34

Pl: PUBLIC RECORD NOTICE: when recorded return to:
Sailing Unlimited
c/o 2149 W. Cascade #238, Hood River, Oregon [97031]

MORTGAGE

TO ALL CONCERNED PARTIES KNOWN OR UNKNOWN,

the Mortgagor: Deming Management, Inc. mortgage to,

Mortgagee: Sailing Unlimited, a/an Washington Trust
whose address is c/o 2149 W. Cascade St., #238, Hood River, Oregon [97031]

and/or assigns, to secure payment of the sum of, THREE MILLION DOLLARS (\$3,000,000.00) according to the terms conditions and obligations of a certain Promissory Note #LRDCR030212001 dated February 12, 2003, on the following described private property, situated in the County of Klamath in the State of Oregon.

PROPERTY DESCRIPTION (LEGAL) ATTACHED

Brief Description: Deming Creek Ranch

The Mortgagor promises and agrees to pay before delinquency all applicable taxes, special assessments and other public charges levied, assessed or charged against premises.

In the event the Mortgagor fails to pay any installment of principal or interest secured hereby when due or to keep or perform any covenant or agreement aforesaid, then the whole indebtedness hereby secured shall forthwith become due and payable, at the election of the Mortgagee.

29839

SIGNED UNDER SEAL THIS
February 12, 2003

Deming Management, Inc.

By : Eric Bryant
MORTGAGOR

By: [Signature] Pres
Title

(SEAL)

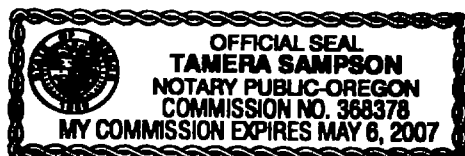
State of: OREGON

County of: HOOD RIVER } S.S.

On this 28 day of APRIL, 2004, before me

appeared ERIC BRYANT, to me a Notary Public personally known, who, being by me duly sworn, did say that he is the President of Deming Management, Inc. and that the instrument was signed in behalf of the Corporation by authority of its Board of Directors and Eric Bryant acknowledged the instrument to be the free act and deed of the Corporation.

Tamera Sampson
Notary Public
Commission Expires May 6, 07



SIGNED UNDER SEAL THIS
February 12, 2003

Sailing Unlimited

By: Ronald Lowell
MORTGAGEE

By: [Signature] Special Executive
Trustee Title

(SEAL)

State of: OREGON

County of: HOOD RIVER } S.S.

On this 28 day of APRIL, 2004, before me

appeared RONALD LOWELL, to me a Notary Public personally known, who, being by me duly sworn, did say that he is the Special Executive Trustee of Sailing Unlimited and that the instrument was signed in behalf of the Corporation by authority of its Board of Directors and Ronald Lowell acknowledged the instrument to be the free act and deed of the Corporation.

Tamera Sampson
Notary Public
Commission Expires May 6, 07



EXHIBIT "A"

29840
25321

10175 34621

PARCEL 1:

The NW 1/4 of Section 29, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon. LESS AND EXCEPT the following:

Beginning at the Northeast corner of the NW 1/4 of Section 29, Township 36 South, Range 15 East of the Willamette Meridian; thence 1,000 feet South; thence 420 feet West; thence 1,000 feet North; thence 420 feet East to the point of beginning.

PARCEL 2:

Beginning at the Northeast corner of the NW 1/4 of Section 29, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon; thence 1,000 feet South; thence 420 feet West; thence 1,000 feet North; thence 420 feet East to the point of beginning.

PARCEL 3:

The E 1/2 NE 1/4 Section 31, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 4:

The W 1/2 NW 1/4, Section 31, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 5:

The E 1/2 NW 1/4, Section 35, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 6:

The W 1/2 NW 1/4, Section 35, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Continued on next page

29841

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EXHIBIT "A" CONTINUED

10176 34622

PARCEL 7:

Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

- Section 23: Beginning at a point 100 feet West of the Southeast corner of the SW 1/4 SE 1/4 of Section 23; thence North 200 feet; thence West 200 feet; thence South 200 feet; thence East 200 feet to the point of beginning.
- Section 24: All
- Section 25: N 1/2 NW 1/4 NW 1/4, E 1/2 NW 1/4, NE 1/4 SW 1/4, E 1/2 NE 1/4, SE 1/4
- Section 26: All
- Section 36: NW 1/4 NE 1/4

Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

- Section 16: W 1/2 SW 1/4
- Section 17: W 1/2, S 1/2 SE 1/4
- Section 18: S 1/2 N 1/2, N 1/2 S 1/2
- Section 19: All
- Section 20: N 1/2 N 1/2, SE 1/4 NW 1/4, NE 1/4 SW 1/4, SW 1/4 NE 1/4
- Section 21: W 1/2, SE 1/4
- Section 27: W 1/2, SE 1/4
- Section 29: E 1/2, SW 1/4
- Section 31: W 1/2 NE 1/4, E 1/2 NW 1/4, N 1/2 S 1/2
- Section 33: W 1/2, SE 1/4
- Section 35: S 1/2

SAVING AND EXCEPTING a strip of land 66 feet in width across the SE 1/4 SE 1/4 of Section 21 and the NE 1/4 SE 1/4 of Section 31, Township 36 South, Range 15 East of the Willamette Meridian, conveyed to Weyerhaeuser Timber Company as described in Parcels 1 and 2 in deed recorded July 25, 1958 in Book 301 at Page 347, Deed Records of Klamath County, Oregon.

ALSO SAVING AND EXCEPTING a strip of land 66 feet in width in the N 1/2 NW 1/4 and SW 1/4 NE 1/4 of Section 33, Township 36 South, Range 15 East of the Willamette Meridian, conveyed to Weyerhaeuser Timber Company by deed recorded January 13, 1959 in Book 308 at Page 577, Deed Records of Klamath County, Oregon.

Continued on next page

29842

25323

EXHIBIT "A" CONTINUED

10177

34623

PARCEL 8:

The W 1/2 NE 1/4, Section 25, Township 36 South, Range 14 East
of the Willamette Meridian, in the County of Klamath, State of
Oregon.

CODE 92 MAP 3614 TL 4500
CODE 92 & 8 MAP 3615 TL 1000
CODE 8 & 92 MAP 3615 TL 1000
CODE 92 MAP 3615-3100 TL 100
CODE 92 MAP 3615-3100 TL 300

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Easement the 14th day
of July A.D., 19 98 at 3:52 o'clock P. M., and duly recorded in Vol. M98
of Deeds on Page 25319.

FEE \$50.00

By Kathleen Rose
Bernetha G. Letsch, County Clerk

State of Oregon, County of Klamath
Recorded 09/21/00, at 2:02 p.m.
In Vol. M00 Page 34620
Linda Smith,
County Clerk Fee \$ 36⁰⁰