Loan No.: 04050045

401 FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 8/02)

FINANCING STATEMENT; EXHIBIT "A"

Attached to that certain UCC-1 Financing Statement naming EDDY, DANIEL LEE as "Debtor".

LOCATION OF PERSONAL PROPERTY COLLATERAL LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN KLAMATH COUNTY, STATE OF OREGON, AND IS DESCRIBED AS FOLLOWS:

See Exhibit "A" attached hereto and made a part hereof for legal description

PROPERTY ADDRESS: 1663 Greensprings Drive, Klamath Falls, Oregon 97601

SAID PROPERTY IS IDENTIFIED BY ASSESSOR'S PARCEL NUMBER(S): Tax Lots 800, 1101, and 1100, Township 30s,

D.L.E.

Range 9e, Section 5D

Exhibit A

PARCEL 1:

All that portion of Lot 3, in Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at the Northeast corner of SW 1/4 SE 1/4 of Section 5; thence North 45° West 446.5 feet, more or less, to the right of way of the State Highway; thence Easterly and Northerly along the Easterly boundary of said right of way 812 feet, more or less, to a point where a line 450 feet South of and parallel to North line of Lot 3 intersects the said Easterly boundary of said Highway right of way; thence Easterly 123 feet, more or less, to East boundary of said Lot 3; thence Southeasterly and Southerly along the Easterly boundary of said Lot 3 to the Southeast corner of said Lot 3; thence West along the South line of said Lot 3 to the point of beginning.

EXCEPTING HOWEVER, from above parcel all the portion of Lot 3 in Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a point where a line 450 feet South of and parallel to the North line of said Lot 3 intersects the Easterly boundary of State Highway right of way; thence East 123 feet, more or less, to the Easterly boundary of said Lot 3; thence South 55° 45' East a distance of 744 feet, more or less, along the Easterly boundary line of said Lot 3, to the meander corner; thence South 25° East along the meander line a distance of 251.5 feet; thence North 56° 50' West a distance of 918.6 feet, (965.25 per Survey 1903), more or less, to an intersection with the Easterly right of way line of said State Highway; thence North 27° 30' West along the Easterly boundary of State Highway right of way a distance of 163 feet, more or less, to the point of beginning.

FURTHER EXCEPTING parcel conveyed to City of Klamath Falls November 17, 1948 in Book 226 at Page 427, Deed Records of Klamath County, Oregon.

PARCEL 2:

Beginning at a point 60 feet East of the Northwest corner of the SE 1/4 of SE 1/4 of Section 5, Township 39 South, Range 9 East of the Williamette Meridian, Klamath County, Oregon; thence East on the North line of said SE 1/4 of SE 1/4, 417.42 feet; thence South and parallel to the West line of said SE 1/4 of SE 1/4, 208.71 feet; thence West and parallel to the North line of said SE 1/4 of SE 1/4, 417.42 feet; thence North and parallel to the West line of said SE 1/4 of SE 1/4, 208.71 feet to the point of beginning.

PARCEL 3:

Beginning at a point on the South line of the NE 1/4 of the SE 1/4 of Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, said point being 85.96 feet East of the Southwest corner of said NE 1/4 of the SE 1/4; thence West 25.96 feet; thence South 208.7 feet; thence West 30.0 feet; thence North 59.2 feet; thence in a Northwesterly direction following the arc of a 14.7642 degree curve to the left through the Southwest corner of said NE 1/4 of the SE 1/4 304.8 feet; thence North 43° 37' 40" West 329.2 feet to the Southeasterly right of way line of the State Highway; thence North 66° 02' 20" East 31.86 feet; thence South 43° 37' 40" East 528.32 feet to the point of beginning.

FINANCING STATEMENT; EXHIBIT "B"

Attached to that certain UCC-1 Financing Statement naming EDDY, DANIEL LEE as "Debtor".

All of Debtor's present and future right, title and interest in and to all of the following:

- All of the following which are used now or in the future in connection with the ownership, management or operation of the real property described in Exhibit "A" and/or the improvements on such real property (the "Property"): machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment (any of the foregoing that are so attached to the Property as to constitute fixtures under applicable law are referred to below as the "Fixtures");
- All furniture, furnishings, equipment, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible personal property (other than Fixtures) which are used now or in the future in connection with the ownership, management or operation of the Property or are located on the Property, and any operating agreements relating to the Property, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Property and all other intangible property and rights relating to the operation of, or used in connection with, the Property, including all governmental permits relating to any activities on the Property (the "Personalty");
- (3) All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Property, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
- (4) All proceeds paid or to be paid by any insurer of the Property, the Fixtures, the Personalty or any other item listed in this Exhibit "B";
- (5) All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Property, the Fixtures, the Personalty or any other item listed in this Exhibit "B", including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Property, the Fixtures, the Personalty or any other item listed in this Exhibit "B" under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (6) All contracts, options and other agreements for the sale of the Property, the Fixtures, the Personalty or any other item listed in this Exhibit "B" entered into by Debtor now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
- (7) All present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property (including proprietary leases or occupancy agreements if Debtor is a cooperative housing corporation), and all modifications, extensions or renewals (the "Leases");
- (8) All earnings, royalties, accounts receivable (including accounts receivable for all rents, revenues and other income of the Property, including parking fees, charges for food, health care and other services), issues and profits from the Property, or any other item listed in this Exhibit "B", and all undisbursed proceeds of the loan secured by the security interests to which this financing statement relates and, if Debtor is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

- (9) All refunds (other than real property tax refunds applicable to periods before the real property tax year in which the loan secured by the security interests to which this financing statement relates was made) or rebates of (a) water and sewer charges, (b) premiums for fire and other hazard insurance, rent loss insurance and any other insurance required by Secured Party, (c) taxes, assessments, vault rentals, and (d) other charges or expenses required by Secured Party to protect the Property, to prevent the imposition of liens on the Property, or otherwise to protect Secured Party's interests (collectively, the "Impositions") by any municipal, state or federal authority or insurance company;
 - (10) All tenant security deposits which have not been forfeited by any tenant under any Lease;
- (11) All funds on deposit pursuant to any separate agreement between Debtor and Secured Party for the purpose of establishing replacement reserves for the Property, establishing a fund to assure the completion of repairs or improvements specified in that agreement, or assuring reduction of the outstanding principal balance of the Indebtedness if the occupancy of or income from the Property does not increase to a level specified in that agreement, or any other agreement or agreements between Borrower and Lender which provide for the establishment of any other fund, reserve or account;
- (12) All names under or by which the Property or any part of it may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Property or any part of it; and
- (13) All proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds.