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STATE OF OREGON

UNIFORM COMMERCIAL CODE

REAL PROPERTY - Form UCC-1A

FINANCING STATEMENT M05-69774

Klamath County, Oregon

THIS FORM FOR COUNTY FILING OFFICER USE ONLY 11/23/2005 02:43:18 PM Pages 4 Fee: \$36.00				
This FINANCING STATEMENT is present	ed to the county filing offic	er pursuant to the	Uniform Commercial Code.	
1A. Debtor Name(s):	2A. Secured Party Name(s):		4A. Assignee of Secured Party (if any):	٦
L.M. Heath, Inc.	People's Bank of Commerce			
1B. Debtor Mailing Address(es): 541 Diego Court Central Point, OR 97502	2B. Address of Secured Party from which security information is obtainable: Main Branch 750 Biddle Rd Medford, OR 97504		4B. Address of Assignee:	
3. This financing statement covers the following types	s (or items) of property (check if a	applicable): SEE ATTA	CHED EXHIBIT dated November 1, 2005	
The goods are to become fixtures on: S The above minerals or the like (including ga (describe real estate)		The above timber is s		
and the financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is: Swan Lake Moulding Company				
Check box if products of collateral are also covered Number of attached additional sheets: A carbon, photographic or other reproduction of this form, financing statement or security agreement serves as a financing statement under ORS Chapter 79.				
Signature(s) of the debtor required in most cases			Party in cases covered by ORS 79.4020	
INSTRUCTIONS				
1. PLEASE TYPE THIS FORM.				
2. If the space provided for any item(s) on this form is inadequate, the item(s) should be continued on additional sheets. Only one copy of such additional sheets need to be presented to the county filing officer. DO NOT STAPLE OR TAPE ANYTHING TO THIS FORM.				
3. This form (UCC-1A) should be recorded with the county filing officers who record real estate mortgages. This form cannot be filed with the Secretary of State. Send the Original to the county filing officer.				
 After the recording process is completed the coun may be used to terminate this document. 	ty filing officer will return the docu	ment to the party indic	ated. The printed termination statement below	
5. The RECORDING FEE must accompany the docu	ument. The fee is \$5.00 per pag	е.		
6. Be sure that the financing statement has been pro	perly signed. Do not sign the ten	mination statement (be	low) until this document is to be terminated.	
Recording Party contact name:		TE	RMINATION STATEMENT	
Recording Party telephone number:				
Return to: (name and address)		pursuant to the Unif no longer claims a s	ermination of financing is presented for filing iform Commercial Code. The Secured Party security interest in the financing statement	
People's Bank of Commerce 750 Biddle Rd. Medford, OR 97504	I	bearing the recording	ng number shown above.	
——— Please do not type outside of bracketed a	rea.	By:Signature of	Secured Party(ies) or Assignee(s)	

EXHIBIT TO UCC-1A FINANCING STATEMENT

November 1, 2005

DEBTORS:

L.M. Heath, Inc. (TIN: 20-3555983)

MAILING ADDRESS:

541 Diego Court, Central Point, OR 97502

COLLATERAL DESCRIPTION:

Purchase Money Security Interest in all Fixtures; 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:

This Exhibit is executed on the same date as the UCC-1A Financing Statement by People's Bank of Commerce and the undersigned.

People's Bank of Commerce

Signature(s) of Debtor(s)

Signature(s) of Secured Party (ies)

EXHIBIT "A"

As to improvements only located LEGAL DESCRIPTION on the following described property.

PARCEL 1

A parcel of land lying in the Northwest quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Starting at the Northwest corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian; thence South 0° 00' 30" East along the Westerly boundary of Section 3 and the centerline of Washburn Way 917.42 feet to its intersection with the centerline of South Sixth Street, formerly known as the Dalles-California Highway, at Engineer's Station 9+17.42 on Washburn Way and Engineer's Station 16+14.87 on South Sixth Street, the recorded bearing of the centerline of South Sixth Street being South 55 ° 52' 30" East; thence continuing South 0° 00' 30" East along the West line of said Section 3 and the centerline of Washburn Way 48.32 feet to a point on the South boundary of South Sixth Street which is 40.0 feet distant from, when measured at right angles to, the centerline of South Sixth Street thence South 55° 52' 30" East parallel to said centerline 125.56 feet to the true point of beginning of this description; thence continuing South 55° 52' 30" East parallel to said centerline 181.50 feet to a point; thence South 34° 07' 30" West at right angles to said centerline 160.00 feet to a point; thence North 55° 52' 30" West 150.27 feet to a point on the Easterly boundary of Washburn Way; thence North 0° 00' 30" West along the Easterly boundary of Washburn Way 103.29 feet to the beginning of a 49.00 foot radius curve to the right; thence along said 49.00 foot radius curve, the long chord of which bears North 53° 51' 50" East 79.16 feet, 92.14 feet, more or less, to the true point of beginning.

EXCEPTING THEREFROM any portion lying with the right of way of the Klamath Falls-Lakeview Highway No. 140 also known as South Sixth Street and any portion lying within the right of way of Washburn Way.

PARCEL 2

A Nonexclusive easement for egress and ingress parking and utilities over the unconstructed portion of the following property:

A parcel of land lying in the Northwest quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Starting at the Northwest corner of said Section 3; thence South 00° 00' 30" East along the Westerly boundary of Section 3 and the centerline of Washburn Way, 917.42 feet to the intersection with the present centerline of Sixth Street, formerly known as the Dalles-California Highway, recorded bearing South 55 ° 52' 30" East, at Engineers Station 9+17.42 feet on Washburn Way and Engineers Station 16+14.87 feet on Sixth Street present centerline, and continuing thence along said boundary and centerline 48.32 feet to Engineers Station 9+65.74 feet on South boundary of Sixth Street, which is distant 40 feet at right angles Southwesterly from centerline of Sixth Street at Engineers Station 16+41.99 feet thence South 55° 52' 30" East parallel to the said centerline 463.02 feet to the true point of beginning of this description; thence from said true beginning point continuing South 55° 52' 30" East parallel to said centerline 795.36 feet; thence at right angles South 34° 07' 30" West, 204 feet;

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(Parcel 2 continued)

thence South 55° 52' 30" East parallel to Sixth Street 145.00 feet; thence at right angles South 34° 07' 30" West, 183.80 feet, more or less, to Northerly right of way line of the Oregon, California and Eastern Railroad; thence North 66° 57' 30" West along said line 982.45 feet, more or less, to a point on the Easterly right of way line of Washburn Way which is 40.00 feet Easterly of said centerline; thence North 00° 00' 30" West along said right of way line 503.39 feet; thence South 55° 52' 30" East, 306.22 feet; thence North 34° 07' 30" East, 160.00 feet to the true point of beginning.

PARCEL 3

A non-exclusive easement for ingress, egress, parking and utilities over the unconstructed portions of the following described property:

A parcel of land lying in the Northwest quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Starting at the Northwest corner of said Section 3; thence South 0° 00' 30" East along the Westerly boundary of Section 3 and the centerline of Washburn Way, 917.42 feet to the intersection with the present centerline of Sixth Street, formerly known as the Dalles-California Highway, recorded bearing South 55° 52' 30" East, at Engineer's Station 9+17.42 feet on Washburn Way and Engineer's Station 16+14.87 feet on Sixth Street present centerline, and continuing thence along said boundary and centerline 48. 32 feet to Engineer's Station 9+65.74 feet on South boundary of Sixth Street, which is distant 40 feet at right angles Southwesterly from centerline of Sixth Street at Engineer's Station 16+41.99 feet, to the true point of beginning; thence South 55° 52' 30" East parallel to said centerline 463.02 feet; thence South 34° 07' 30 West 160.00 feet; thence North 55° 52' 30" West 306.22 feet to the East right of way of Washburn Way; thence North to the point of beginning.

Tax Account No:

3909-003BB-01700-000

Key No:

797873