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2014-011129

Klamath County, Oregon



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10/23/2014 10:20:10 AM

Fee: \$67.00

## TRUST DEED

HWN-KF's-Antarctica, LLC

P. O. Box 489

Klamath Falls, OR 97601

Grantor's Name and Address

\* AmeriTitle

300 Klamath Avenue

Klamath Falls, OR 97601

Trustee's Name and Address

Nahalath Holdings, LLC, et al.

P. O. Box 489

Klamath Falls, OR 97601

Beneficiary's Name and Address

After recording, return to (Name and Address):

Brandsness, Brandsness &amp; Rudd, P.C.

411 Pine Street

Klamath Falls, OR 97601

SPACE RESERVED

FOR

RECORDER'S USE

Returned to County

THIS TRUST DEED, made on September 22, 2014, between  
HWN-KF's-Antarctica, LLC, an Oregon limited liability company

, as Grantor,  
AmeriTitle, as Trustee, and  
Nahalath Holdings, LLC, an Alaska limited liability company; Gregory S. Newman and  
Jeanine V. Newman, Trustees of the 2005 Annelise H. Newman Generation\*, as Beneficiary,

WITNESSETH: That Grantor irrevocably grants, bargains, sells and conveys to trustee, in trust, with power of sale, the prop-  
 erty in Klamath County, Oregon, described as follows (*legal description of property*):

See attached Exhibit A

\*Skipping Trust; Gregory S. Newman and Jeanine V. Newman, Trustees of the 2005 Lucas G. Newman  
 Generation Skipping Trust; Gregory S. Newman and Jeanine V. Newman, Trustees of the 2005  
 William E. Newman Generation Skipping Trust, and Gregory S. Newman and Jeanine V. Newman,  
 Trustees of the 2005 Grace A. Newman Generation Skipping Trust

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way  
 now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now or hereafter attached to or used in con-  
 nection with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of \$3,825,402.10  
Three Million Eight Hundred Twenty-five Thousand Four Hundred Two and 10/100-----  
 Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final  
 payment of principal and interest, if not sooner paid, to be due and payable as provided therein.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable.  
 Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property, or all (or any part) of grantor's interest in it without  
 first obtaining the written consent or approval of the beneficiary, then, at the beneficiary's option\*, all obligations secured by this instrument, irrespective of the matu-  
 rity dates expressed therein, or herein, shall become immediately due and payable. The execution by grantor of an earnest money agreement\*\* does not constitute a  
 sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; and not to  
 commit or permit any waste of the property.

2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed there-  
 on, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in execut-  
 ing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require, and to pay for filing the same in the proper public office  
 or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and other haz-  
 ards, as the beneficiary may from time to time require, in an amount not less than the full insurable value, written by one or more  
 companies acceptable to the beneficiary, with loss payable to the latter. All policies of insurance shall be delivered to the beneficiary as soon as issued. If the grantor  
 shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary at least fifteen days prior to the expiration of any policy of insur-  
 ance now or hereafter placed on the buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy  
 may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount  
 so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invali-  
 date any act done pursuant to such notice.

5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the  
 property before any part of such taxes, assessments and other charges becomes past due or delinquent and promptly deliver receipts therefor to beneficiary. Should  
 the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing  
 beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set  
 forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt  
 secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof. For such payments, with interest as aforesaid, the prop-  
 erty hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described. All such  
 payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this  
 trust deed immediately due and payable and shall constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust, including the cost of title search, as well as the other costs and expenses of the trustee incurred in con-  
 nection with or in enforcing this obligation, and trustee and attorney fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or pro-  
 ceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed or any suit or action related to this instrument, including  
 but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney fees. The amount  
 of attorney fees mentioned in this paragraph in all cases shall be fixed by the trial court, and in the event of an appeal from any judgment or decree of the trial court,  
 grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it  
 so elects, to require that all or any portion of the monies payable as compensation for such taking which are in excess of the amount required to pay all reasonable  
 costs, expenses and attorney fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable  
 costs and expenses and attorney fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied  
 upon the indebtedness secured hereby. Grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such  
 compensation promptly upon beneficiary's request.

(CONTINUED)

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney who is an active member of the Oregon State Bar, a bank, trust company or savings and loan  
 association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries,  
 affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

\*WARNING: 12 USC 1701j-3 regulates and may prohibit exercise of this option.

\*\*The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.



9. At any time, and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder, or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such event, the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753 may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed, together with trustee and attorney fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The trustee may sell the property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of: (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney; (2) to the obligation secured by the trust deed; (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority; and (4) the surplus, if any, to the grantor, or to any successor in interest entitled to such surplus.

16. Beneficiary may, from time to time, appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

The grantor covenants to and agrees with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in any addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

**WARNING:** Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are (choose one):\*

- (a) ~~primarily for personal, family or household purposes (see Important Notice below)~~
- (b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.

In construing this instrument, where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this instrument shall apply equally to businesses, other entities and to individuals.

IN WITNESS WHEREOF, grantor has executed this instrument the date stated above; any signature on behalf of a business or other entity is made with the authority of that entity.

**\*IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is inapplicable. If warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures. If compliance with the Act is not required, disregard this notice.

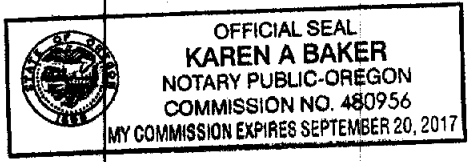
HWN-KF's-Antarctica, LLC

By Gregory Newman, Manager

STATE OF OREGON, County of Klamath ) ss.

This instrument was acknowledged before me on OCTOBER 21 2014,  
by GREGORY NEWMAN

This instrument was acknowledged before me on \_\_\_\_\_,  
by Gregory Newman  
as Manager  
of HWN-KF's-Antarctica, LLC



Karen A Baker  
Notary Public for Oregon  
My commission expires 9-20-2014

**REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)**

TO: \_\_\_\_\_, Trustee  
The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed, the estate now held by you under the same. Mail the reconveyance and documents to \_\_\_\_\_

DATED \_\_\_\_\_  
**Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both should be delivered to the trustee for cancellation before reconveyance is made.**

Beneficiary

EXHIBIT "A" LEGAL DESCRIPTION

PARCEL 1

Lots 6A, 6B, 7A, 7B, 8A, 8B and 9A in Block 3 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 2

Lots 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 in Block 11 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Lots 6, 7, 8, and 9 in Block 19 and Lots 1, 2, 3, 4 and 5 in Block 20 of SECOND RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

All of Vacated Lake Street being bounded on the North by the South line of Lot 5 in Block 20 of Second Railroad Addition, on the West by the East line of Spring Street on the South by the North line of Lot 6 in Block 19 of Second Railroad Addition, and on the East by West line of the Southern Pacific Railroad right of way, all in Second Railroad Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

## EXHIBIT "A" LEGAL DESCRIPTION

### PARCEL 1:

Lots 13, 14, and 15 in Block 4 of FIRST ADDITION TO ALTAMONT ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, TOGETHER WITH vacated Maryland Avenue (formerly Tappen Avenue) adjacent thereto.

### PARCEL 2:

#### PARCEL A:

A tract of land situated in the SW1/4 of NW1/4 of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and Lot 7 in Block 4 of THIRD ADDITION TO ALTAMONT ACRES. Beginning at a point that is 327 feet North of the intersection of the North line of LaVerne Street and the East line of Washburn Way; thence South along the East line of Washburn Way 100 feet; thence East parallel to the North line of LaVerne Street to the West line of Lot 10 in Block 4 of THIRD ADDITION TO ALTAMONT ACRES; thence North along said West line 54.6 feet to the Northwest corner of said Lot 10; thence East along the North line of Lots 8, 9 and 10 in Block 4, 300 feet to the West line of Avalon Street; thence North along said street 45.4 feet; thence West parallel to the North line of LaVerne Street to the point of beginning.

EXCEPTING THEREFROM the following described parcel: Beginning at the Northwest corner of said Lot 10; thence East along the North line of Lots 8, 9 and 10, Block 4, 300 feet to the West line of Avalon Street; thence North along said street 45.4 feet; thence West parallel to the North line of LaVerne Street to a point on the West line of Lot 7, Block 4, THIRD ADDITION TO ALTAMONT ACRES, thence South along the West line of said Lot 7 to the point of beginning.

FURTHER EXCEPTING that portion deeded to the State of Oregon for highway purposes by instrument recorded September 10, 1965 in Volume M65, page 1556, Microfilm Records of Klamath County, Oregon.

#### PARCEL B:

Lot 1, Block 8, Tract 1080, WASHBURN PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**Parcel 1:**

Government Lots 2 and 4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, BUT EXCEPTING THEREFROM the Northerly and Northeasterly parts thereof deeded to R. W. Browning, et ux., by deed recorded in Deed Volume 210, page 321, Klamath County, Oregon.

ALSO, that part of Government Lot 3, Section 13, Township 38 South, Range 8 East of the Willamette Meridian which lies Northeasterly of the right of way of the Central Pacific Railway Company.

TOGETHER WITH that portion of Parcel 1, Land Partition 35-98, conveyed to Klamath Veneer, Inc., an Oregon Corporation, to complete Property Line Adjustment 9-00, by Deed recorded June 2, 2000 in Volume M00, page 19996, being more particularly described as follows:

Commencing at the Southwest corner of the NE1/4 NE1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence along the South line of said NE1/4 NE1/4 of said Section 13, North 89°37'10" East 338.20 feet to a 5/8 inch iron rod; thence South 00°22'50" East 185.41 feet to a 5/8 inch iron rod which is the true point of beginning for this description; thence South 80°41'50" East 38.30 feet to a 5/8 inch iron rod; thence South 61°49'50" East 122.52 feet to a 5/8 inch iron rod; thence South 89°37'10" West 644.05 feet; thence North 11°05'34" East 54.41 feet to a 5/8 inch iron rod; thence North 75°39'14" East 132.52 feet; thence North 88°12'14" East 209.19 feet; thence South 80°42'14" East 152.23 feet to the true point of beginning.

AND EXCEPTING THEREFROM that portion thereof conveyed to Cynthia Bourgeau and Kriss Wessling to complete Property Line Adjustment 9-00, by Deed recorded June 2, 2000 in Volume M00, page 19998, being more particularly described as follows:

A parcel of land situated in the SW1/4 NE1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at a 5/8 inch iron rod marking the Southeast corner of Parcel 1 of Klamath County Land Partition 35-98 which bears South 72°58'30" West 873.82 feet from the center 1/4 corner of said Section 13; thence South 89°37'10" West 937.66 feet to 1/2 inch iron rod which is the true point of beginning for this description; thence continuing South 89°37'10" West 65.11 feet, more or less, to the mean high water line of Upper Klamath Lake; thence Southeasterly along said mean high water line 353 feet, more or less, to a 5/8 inch iron rod; thence North 11°05'34" East 101.70 feet; thence South 89°37'10" West 293.61 feet to the true point of beginning.

**Parcel 2:**

A tract of land situated in Lots 1, 2 and 3, Section 18, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a point which is East 230 feet from a point on the Northeasterly line of the right of way of that certain spur tract of the Southern Pacific Company known as "Hanks Spur", which is South 56°31' East 11.24 chains from the quarter section corner of the West line of said Section 18; thence South 49°03' East 3.79 chains to the Northeasterly line of the right of way of said spur tract; thence following the line of said spur right of way and 100 feet distant at right angles from the center line thereof the following courses and distances: South 64°07' East 3.03 chains; South 60°35' East 2.27 chains; South 57°37' East 2.58 chains; South 54°45' East 2.27 chains; South 52°14' East 1.51 chains; South 50°42' East 9.09 chains; South 49°30' East 1.51 chains; thence West 1.14 chains to a point which is 50 feet distant at right angles from the centerline of said spur right of way; thence following the Northeasterly line of said spur right of way and 50 feet distant at right angles from the center line thereof, Southeasterly to an iron pin that is North 34°23' West, a distance of 982.8 feet from the gas pipe monument marking the Northwest corner of "Pelican City" subdivision, said monument being North 89°54' West a distance of 1995.5 feet from the Southeast corner of said Section 18; thence North 40°37' East a distance of 149.8 feet to an iron pin on the Southwesterly right of way line of the Southern Pacific railroad; thence Northwesterly along the Southwesterly line of said right of way and 50 feet distance at right angles from the centerline thereof to a point that is East a distance of 8.25 chains from the point of beginning; thence West a distance of 8.25 chains, more or less, to the point of beginning.

LESS AND EXCEPT any portion lying within the Southern Pacific Railroad and the Southern Pacific Railroad Spur and Lakeport Boulevard.

**Parcel 3:**

Beginning at a point 190 feet East of the quarter section corner on the West line of Section 18, Township 38 South, Range 9 East of the Willamette Meridian; thence East, 1110.78 feet, more or less, to the Westerly line of the right of way of the main line of the Southern Pacific Company; thence following the Westerly line of said right of way and 50 feet distant at right angles from the center line thereof the following courses and distances: South 8°44' East 99.66 feet; South 11°28' East, 99.66 feet; South 15°48' East, 99.66 feet; South 19°03' East, 99.66 feet; South 24°00' East, 25.08 feet; thence leaving said right of way West 788.04 feet, more or less, to the Easterly line of the right of way of that certain spur track of the Southern Pacific Company known as Hanks Spur; thence along the right of way of said Hanks Spur and 100 feet distance at right angles from the centerline thereof, North 69°10' West, 460.02 feet, more or less, to the Southeast corner of that certain tract of land more particularly described in deed from the Klamath Development Co., to P.C. Carlson, dated September 18, 1916, recorded December 9, 1916, in Deed Volume 46 at page 315, Records of Klamath County, Oregon; thence leaving the right of way of said Hanks Spur, North 245.52 feet, more or less, to the point of beginning, being a portion of Lots 2 and 3 of Section 18, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon;

**AND ALSO.**

Beginning at a point on the Northeasterly line of the right of way of that certain spur track of the Southern Pacific Company known as Hanks Spur which is South 56°32' East 741.84 feet from the quarter section corner on the West line of Section 18, Township 38 South Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence East 230 feet; thence South 49°03' East 250.14 feet, more or less, to the Northeasterly line of the right of way of said spur track; thence following the line of said right of way North 66°58' West, 99.66 feet; North 69°10' West 349.14 feet to the point of beginning, being a portion of Lot 3, Section 18, Township 38 South, Range 9 East of the Willamette Meridian.