

2017-005307

Klamath County, Oregon

05/15/2017 02:51:00 PM

Fee: \$137.00

After recording, return to:

Attn: Heather J. Hansen  
Bryant Lovlien & Jarvis, P.C.  
591 SW Mill View Way  
Bend, Oregon 97702

2017-006235

Klamath County, Oregon

06/07/2017 02:32:00 PM

Fee: \$102.00

Beneficiary's name and address:

Kim D. Ward L.L.C.  
23160 E Hwy 20  
Bend, Oregon 97701

At the request of Amerititle, this document is being re-recorded to correct legal description as previously recorded in 2017-005307.

Return To:  
Deschutes County  
Title Company  
DE2633

### TRUST DEED, ASSIGNMENT OF LEASES AND RENTS, AND FIXTURE FILING

This Trust Deed, Assignment of Leases and Rents, and Fixture Filing (this "Trust Deed") is made and entered into effective on May 15, 2017 (the "Effective Date") by Elk Meadows LLC, an Oregon limited liability company ("Grantor"), whose address is 12455 SW 68<sup>th</sup> Avenue, Portland, OR 97223, in favor of Deschutes County Title Company ("Trustee"), whose address is 397 SW Upper Terrace Drive, Bend, Oregon 97702, for the benefit of Kim D. Ward L.L.C., an Oregon limited liability company ("Beneficiary"), whose address is 23160 E Hwy 20, Bend, Oregon 97701.

#### RECITALS:

A. Beneficiary extended to Grantor a certain loan in the principal amount of one hundred forty-seven thousand and five hundred dollars (\$147,500.00), which loan is evidenced by a certain Promissory Note dated effective May 15, 2017 (the "Note"). The Note is due and payable in full on or before June 1, 2027.

B. As a condition to making the loan to Grantor and accepting the Note, Beneficiary has required, and Grantor has agreed to execute and deliver, this Trust Deed.

#### AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of securing the Obligations, the parties hereto hereby agree as follows:

#### 1. Definitions.

1.1 Capitalized Terms. Unless defined elsewhere in this Trust Deed, capitalized terms used in this Trust Deed have the meanings assigned to them in the attached Appendix A.

1.2 ORS Chapter 86. Unless the context clearly indicates otherwise, terms used in this Trust Deed that are defined in ORS Chapter 86 have the meanings assigned to them in ORS Chapter 86.

3.5 Indemnification. Grantor will defend, indemnify, and hold Beneficiary and each Beneficiary Representative harmless for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees, resulting from or arising out of, whether directly or indirectly, any liability and/or obligation of Grantor under any Lease.

4. Representations and Warranties of Grantor. In addition to any other representation and/or warranty made by Grantor under this Trust Deed, Grantor represents and warrants to Beneficiary as follows:

4.1 Authority; Binding Obligation; No Conflicts. Grantor has full power and authority to sign and deliver this Trust Deed and to perform all of Grantor's obligations under this Trust Deed. This Trust Deed is the legal, valid, and binding obligation of Grantor, enforceable against Grantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity. The signing and delivery of this Trust Deed by Grantor and the performance by Grantor of all of Grantor's obligations under this Trust Deed will not (a) breach any agreement to which Grantor is a party, or give any person the right to accelerate any obligation of Grantor, (b) violate any law, judgment, or order to which Grantor is subject, and/or (c) require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body.

4.2 Real Property. Grantor's use of the Trust Property complies with all applicable zoning laws. Grantor's use of the Trust Property is not subject to any permitted nonconforming use and/or to any structure classification. No fixture and/or improvement on any parcel of land not included in the Trust Property encroaches onto the Trust Property. The Trust Property abuts and has direct vehicular access to a public road or to a permanent, irrevocable, appurtenant easement that provides direct vehicular access to a public road.

4.3 Title to Trust Property. Except as encumbered by any Permitted Encumbrances, Grantor has good title to the Trust Property free from any and all Encumbrances.

4.4 Commercial Purposes. Grantor will use the Trust Property exclusively for commercial purposes.

4.5 Name of Grantor. The exact full legal name of Grantor is Elk Meadow LLC, an Oregon limited liability company.

4.6 Compliance With Laws. Grantor will comply with all applicable laws relating to the ownership, lease, use, and/or operation of the Trust Property. No event has occurred or circumstances exist that will likely result in Grantor's failure to comply with any applicable law relating to the ownership, lease, use, and/or operation of the Trust Property.

4.7 Environmental. Grantor has no liabilities and/or obligations of any kind arising out of or related to, whether directly or indirectly, any Environmental Law, whether known or unknown, fixed or contingent, disputed or undisputed, matured or unmatured, liquidated or unliquidated, or secured or unsecured. Grantor is not a party to any contract, settlement agreement, or other similar arrangement that requires or may require Grantor to have any liability or obligation of any kind arising out of any Environmental Law. No event has occurred or circumstances exist that will likely result in

5.7 Name of Grantor. Grantor will not change Grantor's legal name and/or state of business.

5.8 Leases. Grantor will fully and promptly pay and perform all of Grantor's obligations under each Lease. Unless and until the license described in Section 3.3 is revoked by Beneficiary, Grantor will, at Grantor's own cost and expense, use commercially reasonable efforts to (a) collect the rent and other payments due to Beneficiary under the Leases, except that Grantor will not collect any prepaid rent or other payments that are due under any Lease more than thirty (30) days before the due date of the payment, and (b) enforce Beneficiary's rights under the Leases. Grantor will promptly notify Beneficiary if Grantor or any Tenant materially breaches any Lease. Grantor will not renew, materially amend, waive any right under, and/or terminate any Lease without the prior written consent of Beneficiary. Grantor will not enter into any new Lease without the prior written consent of Beneficiary. Grantor will not pay, contest, and/or settle any claim relating to any Lease without the prior written consent of Beneficiary.

5.9 Estoppel Certificates. Upon Beneficiary's request, Grantor will use commercially reasonable efforts to obtain from each Tenant an estoppel certificate signed by the Tenant, in form and substance reasonably satisfactory to Beneficiary.

5.10 Notification. Grantor will promptly notify Beneficiary if any of the following occurs: (a) any material change in the business of Grantor; (b) any material loss or damage with respect to the Trust Property with a value over Five Thousand Dollars (\$5,000.00), whether or not the loss or damage is covered by insurance; (c) any adverse change in the financial condition of Grantor; and/or (d) an Event of Default.

5.11 Future Commercial Tort Claims. Grantor will promptly notify Beneficiary if Grantor obtains any rights to any commercial tort claim relating to the ownership, lease, use, and/or operation of the Trust Property. Grantor will ensure that the notice includes the adverse parties to the claim and the specific facts out of which the claim arose.

5.12 Inspection. Upon Beneficiary's request, Grantor will permit Beneficiary to (a) inspect the Trust Property, (b) inspect and copy Grantor's books of account and records related to the Trust Property including, without limitation, all contracts involving the ownership, lease, use, and/or operation of the Trust Property, and (c) inspect and copy any books and records of Grantor related to Grantor's business.

5.13 Compliance With Laws. Grantor will comply with all laws, ordinances, regulations, directions, rules, and requirements of all governmental authorities and others applicable to the use and/or occupancy of the Trust Property.

5.14 Environmental. Grantor will comply with all applicable Environmental Laws. Grantor will comply with the terms and conditions of each judgment and order relating to any Environmental Law to which Grantor is subject. Grantor will not cause or permit any Hazardous Substance to be present on or to be spilled, discharged, and/or otherwise released on and/or into the Trust Property. Grantor will fully and promptly pay and perform all of Grantor's obligations arising out of any Environmental Law. Grantor will comply with the terms and conditions of any contract, settlement agreement, and/or other similar arrangement that requires or may require Grantor to have any liability or obligation of any kind arising out of any Environmental Law. Grantor will promptly notify

8.2 Proceeding. Beneficiary may elect to control the condemnation matter described in Grantor's notice by notifying Grantor within twenty (20) days after the delivery of Grantor's notice. If Beneficiary elects to control the condemnation matter within the twenty-day period after the delivery of Grantor's notice Beneficiary may institute a condemnation proceeding, in which case (1) Beneficiary must diligently prosecute the proceeding, with counsel reasonably satisfactory to Grantor, (2) Grantor may participate in the prosecution of the proceeding, at Grantor's own cost and expense, and (3) Beneficiary may settle the matter with the consent of Grantor, which Grantor may not unreasonably withhold, condition, and/or delay. If Beneficiary does not elect to control the condemnation matter within the twenty-day period after the delivery of Grantor's notice Grantor may institute a condemnation proceeding, in which case (1) Grantor will diligently prosecute the proceeding, with counsel reasonably satisfactory to Beneficiary, (2) Beneficiary may participate in the prosecution of the proceeding, at Beneficiary's own cost and expense, and (3) Grantor may settle the matter with the consent of Beneficiary. In any condemnation proceeding that is subject to the provisions in this Section 8.2, Grantor and Beneficiary will keep each other fully informed of the status of the proceeding, cooperate with each other with respect to the prosecution of the proceeding, and attempt to preserve in full any attorney-client and work-product privileges and the confidentiality of any confidential information.

8.3 Assignment of Compensation. Grantor assigns and transfers to Beneficiary all of Grantor's rights to receive compensation as a result of any condemnation of all or any portion of the Trust Property.

8.4 Application of Compensation. If all or any portion of the Trust Property is condemned, and if Beneficiary receives any compensation as a result of the condemnation, (a) Beneficiary may hold the compensation as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 8.4, and (b) Beneficiary may, in Beneficiary's sole discretion, apply the compensation (1) to the Obligations, whether or not the Obligations are then due, and/or (2) to the cost and expense of restoring or improving the remaining portion of the Trust Property, if any, subject to any conditions that Beneficiary deems reasonably necessary to ensure that the remaining portion of the Trust Property is properly restored or improved, including, without limitation, holding the proceeds until the restoration or improvement is complete.

9. Payment of Taxes and Other Charges by Beneficiary. Whenever Grantor fails to pay when due any taxes, assessments, interest on prior mortgages, insurance premiums, and/or other charges necessary to be paid for the protection of Trustee's and/or Beneficiary's rights under this Trust Deed, Beneficiary may pay the same. Such payments will be added to the Obligations and will bear interest at the default interest rate specified in the Note.

#### **BENEFICIARY'S WARNING TO GRANTOR**

**UNLESS YOU [GRANTOR] PROVIDE US [BENEFICIARY] WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY OUR CONTRACT OR LOAN AGREEMENT, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPERTY COVERAGE ELSEWHERE.**

86.795; (h) the right to foreclose this Trust Deed as provided by law for the foreclosure of mortgages on real property; (i) any remedy available to Beneficiary under the Uniform Commercial Code; (j) the right to revoke the license described in Section 3.3 and to (1) retain, collect, and receive all prepaid rent and existing and future security or other deposits that each Tenant has paid and will pay with respect to the Tenant's Lease, (2) collect and receive the rent and other payments due to Beneficiary under the Leases, and (3) enforce Beneficiary's rights under the Leases; (k) the right to deliver to each Tenant a letter, in form and substance reasonably satisfactory to Beneficiary, notifying the Tenant that (1) all of Grantor's rights under the Tenant's Lease have been assigned to Beneficiary, and (2) all future rent and other payments must be paid to Beneficiary; and/or (l) any other remedy available to Beneficiary at law or in equity.

10.3 Additional Rights and Obligations. After an Event of Default, (a) upon Beneficiary's request, Grantor will sign for each Tenant the letter described in Section 10.2(k), and (b) upon Beneficiary's request, Grantor will otherwise assist Beneficiary in exercising any remedy available to Beneficiary under this Trust Deed.

10.4 Possession and Protection of Trust Property. If Beneficiary or a receiver takes possession, control, and/or charge of the Trust Property after an Event of Default, Grantor will peacefully relinquish possession of the Trust Property upon Beneficiary's or the receiver's request. After taking possession, control, and/or charge of the Trust Property, Beneficiary or the receiver may (a) manage, develop, improve, partition, change the character of, or abandon the Trust Property, (b) make ordinary or extraordinary repairs or alterations to the Trust Property, demolish any improvements, and raise existing or erect new party walls or buildings, (c) subdivide the Trust Property, make or obtain the vacation of plats, or adjust boundaries, (d) enter into a lease of all or any portion of the Trust Property, (e) insure the Trust Property against damage or loss, (f) borrow and advance money for the protection of the Trust Property, and for all expenses, losses, and liability sustained in the protection of the Trust Property, (g) pay, contest, and/or settle any claim relating to the Trust Property, (h) pay taxes, assessments, and other expenses incurred in the protection of the Trust Property, (i) employ persons to advise or assist Beneficiary or the receiver in the protection of the Trust Property, and act without independent investigation upon their recommendations, (j) prosecute or defend actions, claims, and/or proceedings for the protection of the Trust Property, and/or (k) take any other actions that Trustee or the receiver deems reasonably necessary to protect the Trust Property. Any payments made or indebtedness incurred by Beneficiary or the receiver in connection with protecting the Trust Property will be added to the Obligations and will bear interest at the default rate specified in the Note. If Beneficiary or the receiver receives any rent or other payments after taking possession, control, and/or charge of the Trust Property, (y) Beneficiary may hold the payments as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 10.4, and (z) Beneficiary may, in Beneficiary's sole discretion, apply the payments (1) to the Obligations, whether or not the Obligations are then due, and/or (2) to the cost and expense of protecting the Trust Property.

10.5 Sale of Trust Property. After an Event of Default, Trustee may sell the Trust Property at auction to the highest bidder for cash. Any person, including Beneficiary, but excluding Trustee, may bid at the sale. The attorney for Trustee, or any agent designated by Trustee or the attorney, may conduct the sale and act in the sale as the auctioneer of Trustee.

10.6 Proceeds of Sale of Trust Property. After an Event of Default and a sale of the Trust Property by Trustee, Trustee must apply the proceeds of the sale as follows: (a) to the expenses of



12.2 Survival. All representations, warranties, covenants, and other obligations of Grantor in Section 4.7, Section 5.14, and Section 12.1 will survive the reconveyance of the Trust Property to Grantor and the foreclosure of this Trust Deed.

13. Successor Trustee. At any time, Beneficiary may appoint in writing a successor to Trustee. If the appointment of the successor to Trustee is recorded in the mortgage records in Klamath County, Oregon, the successor to Trustee will be vested with all the powers of Trustee.

14. Non-foreign Affidavit. Contemporaneously with the signing and delivery of this Trust Deed, Grantor will deliver to Beneficiary a non-foreign affidavit signed by Grantor for purposes of Section 1445 of the Internal Revenue Code, in form and substance reasonably satisfactory to Beneficiary.

15. Miscellaneous.

15.1 Time of Essence; No Assignment; Binding Effect. Time is of the essence with respect to all dates and time periods in this Trust Deed. Grantor may not assign or delegate any of Grantor's rights or obligations under this Trust Deed to any person without the prior written consent of Beneficiary, which Beneficiary may withhold in Beneficiary's sole discretion. This Trust Deed will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

15.2 Amendment; Notice. This Trust Deed may be amended only by a written document signed by the party against whom enforcement is sought. Any notice required under this Trust Deed must be in writing. Any notice will be deemed given when personally delivered or delivered by facsimile transmission (with electronic confirmation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid, certified, return receipt requested, by the applicable party to the address of the other party first shown above (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed given on the next following business day.

15.3 Severability; Further Assurances; Remedies. If a provision of this Trust Deed is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Trust Deed will not be impaired. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Trust Deed. Beneficiary will have all remedies available to it at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

15.4 Governing Law; Venue. This Trust Deed is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Trust Deed. Any action or proceeding arising out of this Trust Deed will be litigated in courts located in Klamath County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Klamath County, Oregon.

15.5 Attorney Fees. If any arbitration or litigation is instituted to interpret, enforce, and/or rescind this Trust Deed, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees and other fees, costs,

IN WITNESS WHEREOF, the undersigned has caused this Trust Deed to be executed and effective for all purposes as of the Effective Date.

GRANTOR:

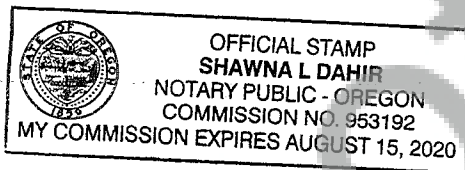
Elk Meadows LLC, an Oregon limited liability company

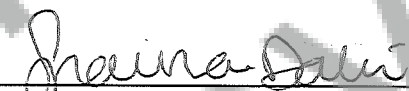
  
By: Judith A. McGee, Member

State of Oregon )  
County of Washington ) ss.

I certify that I know or have satisfactory evidence that Judith A. McGee as Member of Elk Meadows LLC signed this instrument and acknowledge it to be her free and voluntary act for the uses and purposes contained in this instrument.

Before me:



  
Notary Public for Oregon  
Commission No.: 953192  
My Commission Expires: August 15, 2020

“Tenant(s)” means any person other than Grantor that is a party to any Lease.

“Transfer(s)” means (a) any transfer, including, without limitation, any sale, conveyance, exchange, gift, lease, encumbrance, foreclosure of an encumbrance, or attachment, regardless of whether the transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence, and (b) any agreement involving the ownership, lease, and/or use of all or any portion of the Property for a period longer than thirty (30) days.

“Trust Property” means all of Grantor’s right, title, and interest in and to the Real Property, together with the following:

- (a) all interests, estates, and rights that Grantor now has and/or may acquire in the Real Property;
- (b) any and all options, agreements, and contracts for the purchase or sale of all or any part or parts of the Real Property or interests in the Real Property;
- (c) all easements, rights-of-way, and rights used in connection with the Real Property and/or as a means of access to the Real Property;
- (d) all tenements, hereditaments, and appurtenances in any manner belonging, relating, and/or appertaining to the Real Property;
- (e) all interests, estates, and rights of Grantor, now owned or hereafter acquired, in and to any land lying within any streets, sidewalks, alleys, strips, and/or gores adjacent to or used in connection therewith;
- (f) all Grantor rights, titles, and interests, now owned or hereafter acquired, in and to any and all buildings and other improvements of every nature now or hereafter located on the Real Property and all fixtures, machinery, equipment, and other personal property located on the Real Property or attached to, contained in, or used in any such buildings and other improvements, and all appurtenances and additions to and substitutions and replacements of the Real Property (all of the foregoing being collectively referred to below as the “Improvements”);
- (g) any and all mineral, oil and gas rights, air rights, development rights, water rights, water stock, and water service contracts, drainage rights, zoning rights, and other similar rights or interests that benefit or are appurtenant to the Real Property or the Improvements or both, and any of their proceeds;
- (h) all Grantor rights, titles, and interests in and to all present and future licenses, permits, approvals, and agreements with or from any municipal corporation, county, state, or other governmental or quasi-governmental entity or agency relating to the development, improvement, division, or use of all or any portion of the Real Property to the extent assignable by law; and all other general intangibles relating to the Real Property, the Improvements, or their use and operation;
- (i) all Grantor rights in and to any escrow or withhold agreements, title insurance, surety bonds, warranties, management contracts, leasing and sales agreements, and service contracts that are



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

**PARCEL 1:**

Beginning at a point on the East line of the SW1/4 NW1/4 of Section 31 which point lies North along said line 252 feet from the Southeast corner of said SW1/4 NW1/4; thence North 60°58' West 1427.23 feet to that property described in Volume 226, page 39, Deed Records of Klamath County, Oregon; thence Northeasterly at right angles 100 feet; thence Northwesterly at right angles 80 feet to the Easterly right of way of the Dalles-California Highway right of way; thence Northeasterly along said right of way to that property described in Volume 346, page 660, Deed Records of Klamath County, Oregon; thence Southeasterly at right angles to said right of way 200 feet; thence Northeasterly at right angles 300 feet; thence Northwesterly at right angles 20 feet; thence Northeasterly at right angles 260 feet; thence Southeasterly at right angles 20 feet; thence Northeasterly at right angles 100 feet; thence Northwesterly at right angles, 200 feet to the East right of way of the Dalles-California Highway; thence Northeasterly along said Highway right of way to that property described in Volume 259, page 428, Deed Records of Klamath County, Oregon; thence Southeasterly at right angles 180 feet; thence Northeasterly at right angles 300 feet; thence Northwesterly at right angles 180 feet to said highway right of way; thence Northeasterly along said highway right of way to that property described in Volume 331, page 162, Klamath County Deed Records; thence Southeasterly at right angles 280 feet; thence Northeasterly at right angles 300 feet; thence Northwesterly at right angles 100 feet; thence Northeasterly at right angles 20 feet; thence Northeasterly at right angles 285 feet to the North line of Section 31; thence Easterly along said Section line to that property described in Volume 302, page 38, Deed Records of Klamath County, Oregon; thence South 29°02' West 418 feet; thence Easterly parallel to the North line of Section 31 to the East line of the NW1/4 NW1/4 of said Section; thence Southerly along the East line of the NW1/4 NW1/4 and SW1/4 NW1/4 of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, to the point of beginning. EXCEPTING THEREFROM the following parcel deeded to Arthur V. Ellsworth and Etta D. Ellsworth, husband and wife in Volume 274, page 468, Deed Records of Klamath County, Oregon as follows: Running 944.08 feet East from the Northwest corner of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, to an iron pipe on the East line of U.S. Highway 97; thence Southerly on said line 1213 feet 7 inches to a point; thence Easterly 270 feet to point of beginning description of this piece of land; thence continuing Easterly at right angles to Highway 97 200 feet; thence Southerly parallel to Highway 97, 310 feet; thence Westerly at right angles to said Highway 200 feet; thence Northerly parallel to said Highway 310 feet to point of beginning.

**PARCEL 2:**

The SE1/4 NW1/4 and SW1/4 NE1/4 of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 3:**

The NE1/4 NW1/4 of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, SAVING AND EXCEPTING that portion of said property lying within the following described property: Running East 944.08 feet from the Northwest corner of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, to an iron pin; thence East 243 feet to Main Street; thence East 60 feet to point of beginning of this description; thence Southwest 418 feet parallel with the Dalles-California Highway; thence East 418 feet; thence Northeast 522 1/2 feet; thence West 418 feet; thence Southwest 104 1/2 feet to the point of beginning.

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

**PARCEL 1:**

Beginning at a point on the East line of the SW1/4 NW1/4 of Section 31 which point lies North along said line 252 feet from the Southeast corner of said SW1/4 NW1/4; thence North 60°58' West 1427.23 feet to that property described in Volume 226, page 39, Deed Records of Klamath County, Oregon; thence Northeasterly at right angles 100 feet; thence Northwesterly at right angles 80 feet to the Easterly right of way of the Dalles-California Highway right of way; thence Northeasterly along said right of way to that property described in Volume 346, page 660, Deed Records of Klamath County, Oregon; thence Southeasterly at right angles to said right of way 200 feet; thence Northeasterly at right angles 300 feet; thence Northwesterly at right angles 20 feet; thence Northeasterly at right angles 260 feet; thence Southeasterly at right angles 20 feet; thence Northeasterly at right angles 100 feet; thence Northwesterly at right angles, 200 feet to the East right of way of the Dalles-California Highway; thence Northeasterly along said Highway right of way to that property described in Volume 259, page 428, Deed Records of Klamath County, Oregon; thence Southeasterly at right angles 180 feet; thence Northeasterly at right angles 300 feet; thence Northwesterly at right angles 180 feet to said highway right of way; thence Northeasterly along said highway right of way to that property described in Volume 331, page 162, Klamath County Deed Records; thence Southeasterly at right angles 280 feet; thence Northeasterly at right angles 300 feet; thence Northwesterly at right angles 100 feet; thence Northeasterly at right angles 200 feet; thence Southeasterly at right angles 20 feet; thence Northeasterly at right angles 285 feet to the North line of Section 31; thence Easterly along said Section line to that property described in Volume 302, page 38, Deed Records of Klamath County, Oregon; thence South 29°02' West 418 feet; thence Easterly parallel to the North line of Section 31 to the East line of the NW1/4 NW1/4 of said Section; thence Southerly along the East line of the NW1/4 NW1/4 and SW1/4 NW1/4 of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, to the point of beginning. EXCEPTING THEREFROM the following parcel deeded to Arthur V. Ellsworth and Etta D. Ellsworth, husband and wife in Volume 274, page 468, Deed Records of Klamath County, Oregon as follows: Running 944.08 feet East from the Northwest corner of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, to an iron pipe on the East line of U.S. Highway 97; thence Southerly on said line 1213 feet 7 inches to a point; thence Easterly 270 feet to point of beginning description of this piece of land; thence continuing Easterly at right angles to Highway 97 200 feet; thence Southerly parallel to Highway 97, 310 feet; thence Westerly at right angles to said Highway 200 feet; thence Northerly parallel to said Highway 310 feet to point of beginning. ALSO EXCEPTING THEREFROM any portion that lies within Volume 212, Page 79, Deed Records of Klamath County, Oregon.

**PARCEL 2:**

The SE1/4 NW1/4 and SW1/4 NE1/4 of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 3:**

The NE1/4 NW1/4 of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, SAVING AND EXCEPTING that portion of said property lying within the following described property: Running East 944.08 feet from the Northwest corner of Section 31, Township 24 South, Range 9 East of the Willamette Meridian, to an iron pin; thence East 243 feet to Main Street; thence East 60 feet to point of beginning of this description; thence Southwest 418 feet parallel with the Dalles-California Highway; thence East 418 feet; thence Northeast 522 1/2 feet; thence West 418 feet; thence Southwest 104 1/2 feet to the point of beginning.