

MTC 40829-KA
DEED OF TRUST

This Deed of Trust is given on March 28, 1997. The trustor is RODERICK L. SLADE ("Borrower"), a resident of Klamath County, Oregon, and whose address is 865 S. Spring St., Klamath Falls, Oregon 97601. The trustee is AMERITITLE ("Trustee") whose mailing address is 222 South Sixth Street, Klamath Falls, Oregon 97601. The beneficiary is STAR MARKETERS ACCEPTANCE CORP. ("Lender"), a Delaware non-stock corporation, whose address is P. O. Box 2543, Houston, Harris County, Texas 77252-8059. Borrower owes Lender the principal sum of \$739,500.00. This debt is evidenced by Borrower's note dated the same date as this Deed of Trust ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on April 20, 2007. This Deed of Trust secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Section 6 to protect the security of this Deed of Trust, together with interest and charges thereon; (c) the performance of Borrower's covenants and agreements under this Deed of Trust, the Credit Agreement of even date herewith executed by and among May-Slade Oil Co., Borrower and Lender (the "Credit Agreement"), all other related papers securing the Note and the Note (collectively, the "Credit Documents"), and (d) all other amounts which are included in the definition of the term "Obligations" in the Credit Agreement. All of such indebtedness are called the "Obligations". Any capitalized term used in this Deed of Trust and not otherwise defined herein shall have the meaning ascribed to such term in the Credit Agreement. For and in consideration of these purposes, Borrower does hereby mortgage, grant, assign and convey to Trustee and Trustee's successors and assigns, with power of sale, all of Borrower's right, title and interests in and to the Property (the "Land") described on Exhibit A attached hereto, together with all the improvements now or hereafter erected on the Land, and all easements, appurtenances, rights and fixtures now or hereafter a part of the Land. All replacements thereof and additions thereto shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property unto Trustee, in trust, with power of sale, for the benefit of Lender and Lender's successors and assigns, forever.

BORROWER REPRESENTS that Borrower is lawfully seised of the estate hereby conveyed and has full power and lawful authority to mortgage, grant and convey the Mortgaged Property and that the Mortgaged Property is unencumbered, except for (a) any Lien for Property taxes not yet due and payable; (b) the Liens in favor of Lender, and (c) any other encumbrances

After Recording Return To:
Texas Commerce Bank National
Association, as Master Servicer
P. O. Box 2558
Houston, Texas 77252-8069
Attention: Manager, MACSYS Division

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specifically described on Exhibit B attached hereto (collectively, the "Permitted Exceptions"). Borrower warrants and will defend forever the title to the Mortgaged Property and every part thereof and the validity and priority of the Lien created by this Deed of Trust against all claims and demands, subject to any Permitted Exceptions.

COVENANTS. Borrower and Lender covenant, warrant and agree as follows:

1. **Payment of Obligations; Performance.** Borrower shall promptly pay when due the Obligations. Borrower will perform and comply with all provisions of the Credit Documents.

2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under Section 1 shall be applied: first, to any costs of collection, including reasonable attorneys' fees and the delinquency fees payable to the Servicer (as such term is hereinafter defined); second, to interest due under the Note; third, to principal due under the Note, and last, to any other Obligations.

3. **Charges; Liens.**

(a) Borrower shall pay at least 30 days before delinquency all taxes, assessments, charges, fines and impositions attributable to any part of the Mortgaged Property which may create a Lien on any part of the Mortgaged Property that is not a Permitted Exception. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall furnish to Lender receipts evidencing the payments promptly after Borrower's receipt thereof.

(b) Borrower shall promptly discharge any Lien against any part of the Mortgaged Property that is not a Permitted Exception unless Borrower (1) agrees in writing to the payment of the obligation secured by the Lien in a manner acceptable to Lender; (2) contests in good faith the Lien or defends against enforcement of the Lien, by posting a bond or other security therefor that is in Proper Form or in legal proceedings which in Lender's opinion operate to prevent the enforcement of the Lien, or (3) secures from the holder of the Lien an agreement satisfactory to Lender subordinating the Lien to this Deed of Trust. If Lender determines that any part of the Mortgaged Property is subject to a Lien that is not a Permitted Exception, Lender may, but shall not be obligated to, give Borrower a notice identifying the Lien. Borrower shall satisfy the Lien or take one or more of the actions set forth above within ten days of the giving of notice, in the event that Lender elects to give such notice.

(c) If at any time after the date hereof there shall be assessed or imposed (1) a tax or assessment on the Mortgaged Property in lieu of or in addition to the impositions otherwise payable by Borrower pursuant to Section 3(a); (2) a license fee, tax or assessment imposed on Lender and measured by or based in whole (or in part) upon the amount of the outstanding Obligations, or (3) a license fee, tax or assessment imposed on Lender because of Lender's interest in the Mortgaged Property, then all (or said part of) such taxes, assessments or fees shall be deemed to be included within such impositions in Section 3(a) and Borrower shall pay and discharge the same as provided in Section 3(a) to the extent not prohibited by applicable law. If

Borrower fails to pay any such impositions at least 30 days before delinquency or if Borrower is prohibited by law from paying such impositions, Lender may at its option declare all Obligations immediately due and payable and/or pursue the other remedies available to Lender under Section 19 hereof. Anything to the contrary herein notwithstanding, Borrower shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on Lender.

4. Hazard or Mortgaged Property Insurance.

(a) Borrower shall, at its own expense, keep the improvements now existing or hereafter erected on the Mortgaged Property insured as required by the Credit Agreement. If Borrower fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Mortgaged Property in accordance with Section 6.

(b) Nothing herein contained shall be deemed to excuse Borrower from repairing or maintaining the Mortgaged Property as provided in Section 5 or restoring all damage or destruction to the Mortgaged Property, regardless of whether there are insurance proceeds available to Borrower or whether any such proceeds are sufficient in amount.

(c) Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal on the Note shall not extend or postpone the due date of the monthly payments referred to in the Note or change the amount of the payments.

5. Preservation, Maintenance and Protection of the Mortgaged Property.

(a) Borrower shall not destroy, damage or impair the Mortgaged Property, allow the Mortgaged Property to deteriorate, or commit waste on the Mortgaged Property. Borrower shall not and shall not permit any other Person to, without the express prior written consent of Lender, remove, demolish or substantially alter any material portion of the Mortgaged Property. Borrower shall keep the Mortgaged Property in good order and condition in compliance with applicable provisions of law, and requirements of property insurance policies, and make all necessary repairs and replacements thereto. Borrower shall be in Default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Mortgaged Property or otherwise materially impair the Lien created by this Deed of Trust. Borrower may cure such a Default by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Mortgaged Property or other material impairment of the Lien created by this Deed of Trust.

(b) Borrower shall not permit any of the fixtures to be demolished or to be removed from the Mortgaged Property without the express prior written consent of Lender, unless said fixture is replaced by an article of equal suitability and value, owned by Borrower free and clear of any Lien of any kind, except such as may be approved in writing by Lender, and that such replacement article shall be encumbered by the Lien of this Deed of Trust.

6. Protection of Lender's Rights in the Mortgaged Property.

(a) If Borrower fails to perform the covenants and agreements contained in any Credit Document, or there is a legal proceeding that may significantly affect Lender's rights in the Mortgaged Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Mortgaged Property and Lender's rights in the Mortgaged Property or to pursue Lender's remedies hereunder (including, without limitation, the institution and prosecution of a foreclosure proceeding). Lender's actions may include paying any obligations secured by a Lien against any part of the Mortgaged Property that is not a Permitted Exception; appearing in court; paying reasonable attorneys' fees; entering on the Mortgaged Property to make repairs, and taking such other actions as Lender deems necessary to protect its interests hereunder. Although Lender may take action under this Section, Lender does not have to do so.

(b) Any amounts disbursed by Lender under this Section shall become additional Obligations. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate stated in the Note and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. Condemnation.

(a) The proceeds of an award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Mortgaged Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. If Borrower receives any notice or other information regarding any such condemnation proceeding, Borrower shall give prompt written notice thereof to Lender. Lender shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Lender shall also be entitled to make any compromise or settlement in connection with such taking or damage.

(b) In the event of a total taking of any entire parcel of the Mortgaged Property, the proceeds shall be applied first to the costs of collection of such proceeds and then to the proportion of the Obligations attributable to such parcel of the Mortgaged Property (the "Attributed Value"), whether or not then due, with any excess paid to Borrower. In the event of a partial taking of any parcel of the Mortgaged Property in which the fair market value of such parcel of the Mortgaged Property immediately before the taking is equal to or greater than the Attributed Value of such parcel of the Mortgaged Property, unless Borrower and Lender otherwise agree in writing, the Obligations shall be reduced by the amount of the net proceeds multiplied by the following fraction: (1) the Attributed Value of such parcel of the Mortgaged Property, divided by (2) the fair market value of such parcel of the Mortgaged Property immediately before the taking. Any remaining balance shall be paid to Borrower. In the event of a partial taking of any parcel of the Mortgaged Property in which the fair market value of such parcel of the Mortgaged Property immediately before the taking is less than the Attributed Value of such parcel of the Mortgaged Property, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied first to the costs of

collection of such proceeds and then to the Attributed Value of such parcel of the Mortgaged Property, whether or not the Obligations are then due.

(c) Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal on the Note shall not extend or postpone the due date of the monthly payments referred to in the Note or change the amount of such payments.

8. Borrower Not Released; Forbearance By Lender Not a Waiver.

(a) Extension of the time for payment; modification of amortization of the Obligations granted by Lender to any successor in interest of Borrower or any guarantor or any release of any Person obligated thereon or any of the Mortgaged Property shall not operate to release the liability of the original Borrower, any other guarantor or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or any guarantor; refuse to extend time for payment; otherwise modify amortization of the Obligations, or release any party obligated thereon or any part of the Mortgaged Property by reason of any demand made by the original Borrower, any other guarantor or Borrower's successors in interest. Lender shall have no obligation to give notice to or obtain the consent of Borrower or any guarantor to any such extension or modification. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

(b) The acceptance by Lender of payment of any Obligations after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other Obligations or to declare a Default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other Liens or charges by Lender shall not be a waiver of Lender's right to pursue Lender's remedies under Section 19 hereof, nor shall Lender's receipt of any awards, proceeds or damages operate to cure or waive Borrower's Default in payment of Obligations.

9. Successors and Assigns Bound; Signers. The covenants and agreements of this Deed of Trust shall bind and benefit the heirs, beneficiaries, administrators, executors, personal and legal representatives, receivers, trustees, successors and assigns of Lender and Borrower, as applicable, subject to the provisions of Section 14. Any Borrower who signs this Deed of Trust but does not execute the Note (a) is signing this Deed of Trust only to mortgage, grant and convey that Borrower's interest in the Mortgaged Property under the terms of this Deed of Trust; (b) is not personally obligated to pay the Obligations, and (c) agrees that Lender and any other Borrower may extend, modify, forbear or make any accommodations with regard to the terms of any Credit Document without that Borrower's consent.

10. Loan Charges. Notwithstanding anything to the contrary contained herein and to the maximum extent permitted by applicable law, no rate of interest required under the Note shall exceed the Highest Lawful Rate, and, in the event any such rate is found to exceed the Highest Lawful Rate, Borrower shall be required to pay only the Highest Lawful Rate. All agreements between Borrower and Lender are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Lender for the use, forbearance, or

detention of money due under any Credit Document exceed the Highest Lawful Rate. If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

11. **Notices.** Any notice to Borrower provided for in this Deed of Trust shall be given in the manner described in the Credit Agreement. Actual notice, however and from whomever given or received, shall always be effective when received.

12. **Governing Law; Severability.** This Deed of Trust shall be governed by and construed in accordance with the applicable laws of the State of Texas except to the extent (a) of procedural and substantive matters relating only to the creation, perfection and foreclosure of Liens, and enforcement of rights and remedies against the Mortgaged Property, which matters shall be governed by the laws of the jurisdiction in which the Mortgaged Property is located, and (b) that the laws of the United States of America and any rules, regulations or orders issued or promulgated thereunder applicable to the affairs and transactions entered into by Lender, otherwise preempt the laws of the jurisdiction in which the Mortgaged Property is located or Texas law, as applicable, in which event such federal law shall control. In the event that any provision or clause of this Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust are declared to be severable.

13. **Default; Remedies.** A "Default" under this Deed of Trust shall mean the occurrence or existence of one or more Events of Default as defined in the Credit Agreement or a default in respect of Borrower's obligations hereunder. All remedies available to Lender with respect to the Credit Documents or otherwise existing at law, in equity or by statute, including, without limitation, the appointment of a receiver, shall be cumulative and may be pursued concurrently, independently, or successively and Lender may pursue inconsistent remedies. The only limitation upon such remedies is that there shall be but one full and complete satisfaction of the Obligations.

14. **Transfer of the Mortgaged Property or a Beneficial Interest in Borrower.**

(a) If all or any part of the Mortgaged Property or any interest in it is sold or transferred (or if Borrower is not a natural Person and a beneficial interest in Borrower is sold or transferred to any Person other than another existing holder of such beneficial interests) without Lender's express prior written consent, Lender may, at its option, require immediate payment in full of all Obligations.

(b) If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than ten days from the date the notice is delivered or mailed within which Borrower must pay all Obligations. If Borrower fails to pay the Obligations before the expiration of this period, Lender may invoke any remedies permitted by any Credit Document without further notice or demand on Borrower.

15. **Sale or Assignment of Note; Change of Servicer.** The Note or a partial interest in the Note (together with this Deed of Trust and the other Credit Documents) may be sold or assigned one or more times without prior notice to Borrower. Borrower understands that Lender intends to assign the rights of Lender under the Credit Documents to Texas Commerce Bank National Association, as collateral agent for various creditors of Lender. A sale or assignment may result in a change in the Person (known as the "Servicer") that collects monthly payments due under the Credit Documents. There also may be one or more changes of the Servicer unrelated to a sale or assignment of the Note. If there is a change of the Servicer, Borrower will be given written notice of the change in accordance with Section 11 and applicable law. The notice will state the name and address of the new Servicer and the address to which payments should be made and any other information required by applicable law. Texas Commerce Bank National Association, as servicer for Lender, shall be the initial Servicer.

16. **Modification.** In regards to the rights of any junior or intervening lienor or encumbrancer, Lender may at any time or from time to time change, waive, terminate, modify, discharge or release (in whole or in part) any provision of this Deed of Trust and grant such extensions and indulgences as Lender may determine, all without the consent of any junior or intervening lienor or encumbrancer, without any obligation to give notice of any kind thereto and without in any manner affecting the priority of the Lien of this Deed of Trust on any portion of the Mortgaged Property; any such agreement shall be superior to the rights of any junior or intervening lienor or encumbrancer.

17. **Unsecured Obligations.** All payments made on the Obligations, whether voluntarily or pursuant to foreclosure, sale or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations which are not secured or fully secured by the Lien created by this Deed of Trust, if any.

18. **Waiver of Trial by Jury.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LENDER AND BORROWER HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION, PROCEEDING OR COUNTERCLAIM BASED ON ANY CREDIT DOCUMENT OR ARISING OUT OF, UNDER OR IN CONNECTION WITH ANY CREDIT DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY TO ANY CREDIT DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER AND BORROWER ENTERING INTO THE SUBJECT LOAN TRANSACTION.

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19. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in any Credit Document (but not prior to acceleration under Section 14 unless applicable law provides otherwise). The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the Default must be cured, and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the Obligations and sale of the Mortgaged Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a Default or any other defense of Borrower to acceleration and sale, but only if applicable law provides for such rights. If the Default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all Obligations without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an Event of Default and of Lender's election to cause the Mortgaged Property to be sold and shall cause such notice to be recorded in each county in the State of Oregon in which any part of the Mortgaged Property is located. Lender or Trustee shall, in the manner prescribed by applicable law including, if required by applicable law, (a) give notice to Borrower and other Persons prescribed by applicable law at least 120 days before the date of the Trustee's sale and notice to the occupants of the Mortgaged Property and (b) publish the notice of sale for four successive weeks ending more than 20 days prior to the sale. If required by applicable law, affidavits of mailing, service and publication of notice shall be recorded on or before the date of sale in each county where any part of the Mortgaged Property is located. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Mortgaged Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Mortgaged Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Mortgaged Property at any sale and may pay for such Mortgaged Property by crediting the outstanding balance of the Obligations.

Trustee shall deliver to the purchaser Trustee's deed conveying the Mortgaged Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all Obligations, and (c) any excess to the Persons legally entitled to it.

The provisions of this Deed of Trust with respect to acceleration and remedies are intended to comply with the provisions of applicable law as in force and effect on January 1, 1992, and in the event that any such provisions are eliminated or modified by future amendment to, or adoption of any statute superseding such applicable laws, the affected provisions of this Deed of Trust shall

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be deemed stricken from or modified in conformity with such amendment or superseding statute, effective as of its effective date.

20. **Reconveyance.** Upon payment of all Obligations, Lender shall request Trustee to reconvey the Mortgage Property and shall surrender this Deed of Trust and the Note to Trustee. If required by applicable law and upon such payment, Lender shall discharge this Deed of Trust within 30 days after demand by Borrower. Trustee shall reconvey the Mortgaged Property without warranty and without charge to the Persons legally entitled to it. Such Persons shall pay any recordation costs.

21. **Substitute Trustee.** Lender may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Mortgaged Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

22. **Time of Essence.** Time is of the essence in each covenant of this Deed of Trust.

23. **Attorneys' Fees.** As used in this Deed of Trust and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court, and attorneys' fees in bankruptcy.

24. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of (a) five days (or such other period as applicable law may specify for reinstatement) before sale of the Mortgaged Property pursuant to any power of sale contained in this Deed of Trust, or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Borrower: (1) pays Lender all Obligations which then would be due as if no acceleration had occurred; (2) cures any default of any other covenants or agreements; (3) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, a statutory sum for attorneys' fees and Trustee's fees, and (4) takes such action as Lender may reasonably require to assure that the Lien of this Deed of Trust, Lender's rights in the Mortgaged Property and Borrower's obligation to pay the Obligations shall continue unchanged. Upon reinstatement by Borrower, this Deed of Trust and the Obligations shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 14.

25. **Assignment of Rents, Revenues, Income and Profits.**

(a) Borrower hereby assigns and transfers to Lender all rents, revenues, income and profits ("Rental") payable under each Lease (hereinafter defined) now or at any time hereinafter existing, such assignment being upon the terms set forth below. The term "Lease" or "Leases" means any oral or written agreement between Borrower and another Person to use or occupy all or any portion of the Mortgaged Property, together with any guaranties or security for the obligations of any tenant, lessee, sublessee or other Person having the right to occupy, use or manage any part of the Mortgaged Property under a Lease. Each time Borrower enters into a Lease, such Lease shall automatically become subject to this Section without further action.

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(b) The transfer of Rental to Lender shall be upon the following terms: (1) until receipt from Lender of notice of the occurrence of a Default, each tenant may pay Rental directly to Borrower; but after a Default, Borrower covenants to hold all such Rental paid in trust for the use and benefit of Lender; (2) upon receipt from Lender of notice that a Default exists, each tenant is hereby authorized and directed to pay directly to Lender all Rental thereafter accruing or payable and receipt of Rental by Lender shall be a release of such tenant to the extent of all amounts so paid; (3) Rental so received by Lender shall be applied by Lender in accordance with Section 2; (4) without impairing its rights hereunder, Lender may, at its option, at any time and from time to time, release to Borrower Rental so received by Lender, or any part thereof; (5) Lender shall not be liable for its failure to collect or its failure to exercise diligence in the collection of Rental, but shall be accountable only for Rental that it shall actually receive, and (6) the assignment contained in this Section shall terminate upon the release of this Deed of Trust, but no tenant shall be required to take notice of termination until a copy of such release shall have been delivered to such tenant. As between Lender and Borrower, and any Person claiming through or under Borrower, other than any tenant who has not received notice that a Default has occurred, the assignment contained in this Section is intended to be absolute, unconditional and presently effective and the provisions of Subsections (b)(1) and (b)(2) above are intended solely for the benefit of each tenant and shall never inure to the benefit of Borrower or any Person claiming through or under Borrower, other than a tenant who has not received such notice. It shall never be necessary for Lender to institute legal proceedings of any kind whatsoever to enforce the provisions of this Section. It is agreed that any Rental retained and reserved by Borrower pursuant to the aforementioned license will not constitute a payment by Borrower to Lender of any portion of the Obligations (and hence will not be credited to the Obligations) until Rental is actually paid to Lender and retained by Lender and then, in such event, Rental so received shall be applied in accordance with Section 2.

(c) Should a Default occur, Borrower agrees to deliver to Lender possession and control of all Rental held by Borrower in trust for the benefit of Lender. Borrower specifically agrees that Lender may upon the occurrence of any Default or at any time thereafter, personally or through an agent selected by Lender, take--or have a trustee take--possession and control of all or any part of the Mortgaged Property and may receive and collect all Rental theretofore accrued and all thereafter accruing therefrom until the final termination of this Deed of Trust or until the foreclosure of the Lien of this Deed of Trust, applying so much thereof as may be collected before sale of the Mortgaged Property by foreclosure of this Deed of Trust first to the expenses of Lender incurred in obtaining Rental and then applying Rental so received in accordance with the provisions of Section 2. Any such action by Lender shall not operate as a waiver of the Default in question, or as an affirmation of any Lease or of the rights of any tenant in the event title to that part of the Mortgaged Property covered by the Lease or held by the tenant should be acquired by Lender or other purchaser at foreclosure sale. Lender or Lender's agent may use against Borrower or any other Person such lawful or peaceable means as the Person acting may see fit to enforce the collection of any such Rental or to secure possession of the Mortgaged Property, or any part of it and may settle or compromise on any terms as Lender or Lender's agent sees fit, the liability of any Person for any such Rental. In particular, Lender or Lender's agent may institute and prosecute to final conclusion actions of forcible entry and detainer, or actions of trespass to try title, or actions for damages, or any other appropriate

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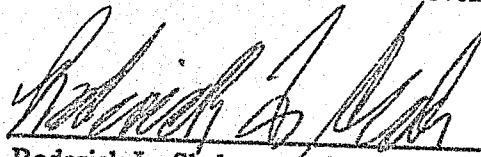
actions, in the name of Lender or Borrower, and may settle, compromise or abandon any such actions as Lender or Lender's agent may see fit; and Borrower binds Borrower and Borrower's heirs, beneficiaries, administrators, executors, personal and legal representatives, receivers, trustees, successors and assigns, as applicable, to take whatever lawful or peaceable steps Lender or Lender's agent may ask of Borrower or any such Person so claiming to take for such purposes, including the institution and prosecution of actions of the character above stated. However, neither Lender nor Lender's agent shall be obligated to collect any such Rental or be liable or chargeable for failure to do so. Upon any sale of the Mortgaged Property or any part thereof in foreclosure of the Lien created by this Deed of Trust, such Rental so sold which thereafter accrues shall be deemed included in such sale and shall pass to the purchaser free and clear of the assignment made in this Section. Nothing in this Section is intended to require Lender to institute any legal proceedings or engage in any self help remedies in order to make the absolute assignment to Lender operative.

(d) Lender's acceptance of this assignment shall not, before entry upon and taking possession of the Mortgaged Property by Lender, be deemed to constitute Lender a "mortgagee in possession," nor obligate Lender to appear in or defend any proceeding relating to any of the Leases or to the Mortgaged Property, take any action hereunder, expend any money, incur any expenses or perform any obligation or liability under the Leases, or assume any obligation under the Leases including the obligation to return any deposit delivered to Borrower by any tenant. Lender shall not be liable for any injury or damage to Person or Property in or about the Mortgaged Property. Neither the collection of Rental due under the Leases herein described nor possession of the Mortgaged Property by Lender shall render Lender liable with respect to any obligations of Borrower under any of the Leases.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY A FINANCIAL INSTITUTION AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE FINANCIAL INSTITUTION TO BE ENFORCEABLE.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARM AND FOREST PRACTICES AS DEFINED IN ORS 30.930.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Deed of Trust.


Roderick L. Slade

~~The Borrower's separate consent to this instrument to evidence such purchase agreement that any~~
~~interest in the property conveyed hereby is subject to the instrument.~~

~~DEPOSIT TO TRUST~~

STAR MARKETERS ACCEPTANCE CORP.,
a Delaware non-stock corporation

By: TEXAS COMMERCE BANK NATIONAL
ASSOCIATION, a national banking
association, as Master Servicer


By: 
Caroline H. Creeden
Senior Vice President

Exhibit A - Mortgaged Property Description (include street address)
Exhibit B - Permitted Exceptions

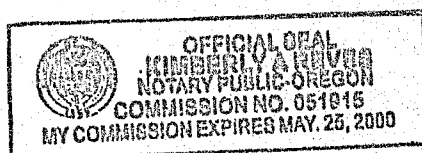
10003

(Rev 06/96)

Oregon

THE STATE OF Oregon §
COUNTY OF Klamath §

This instrument was acknowledged before me on March 28, 1997, by
Roderick L. Slade.



[SEAL]

Kimberly A Brown
(Signature of notarial officer)

Notary Officer
Title
My Commission Expires: 5/26/2000

THE STATE OF TEXAS

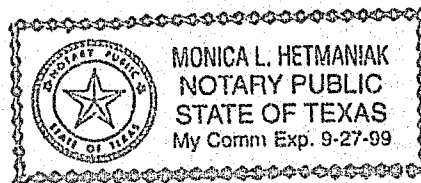
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§

COUNTY OF HARRIS

§

This instrument was acknowledged before me on March 25th, 1997, by Caroline H. Creeden, as Senior Vice President of Texas Commerce Bank National Association, a national banking association, acting in its capacity as master servicer for Star Marketers Acceptance Corp., a Delaware non-stock corporation, and the said Caroline H. Creeden acknowledged the execution of the instrument to be the voluntary act and deed of said association by it voluntarily executed.



Monica L. Hetmanik
(Signature of notarial officer)

[SEAL]

Title

My Commission Expires: 9-27-99

EXHIBIT A

Legal Description:

PARCEL 1

All that portion of the SW1/4 NE1/4, SE1/4 NW1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point on the northwesterly right of way line of the Klamath Falls Weed State Highway in the SW1/4 NE1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, which point of beginning is 1320 feet North of the quarter corner common to Sections 30 and 31, Township 39 South, Range 9 East of the Willamette Meridian, and South 89 degrees 44' West 1015 feet along the South line of the NE1/4 SW1/4 of Section 30 to the northwesterly right of way line of said highway; thence along said highway right of way line as follows: North 36 degrees 34' East 1792.17 feet; South 53 degrees 26' East 25.0 feet; thence North 36 degrees 34' East 412.3 feet to the true point of beginning of the tract herein described; thence continuing North 36 degrees 34' East 455 feet to a point, which is the most southerly corner of the tract conveyed to Robert D. McPherson by deed recorded October 8, 1956, in Volume 287 page 160; Deed Records, Klamath County, Oregon; thence North 53 degrees 26' West along the Southerly line of said McPherson Tract to the southeasterly right of way line of the Southern Pacific Railroad right of way; thence Southwesterly along said southeasterly right of way line of the Southern Pacific Railroad to a point which is North 53 degrees 26' West to the true point of beginning; thence South 53 degrees 26' East to the true point of beginning.

PARCEL 2

A parcel of land lying in the SW1/4 NE1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows: Beginning at a point on the Northwesterly right of way line of the Klamath Falls-Weed State Highway in the SW1/4 NE1/4 of Section 30, Township 39 South, Range 9 East of the Willamette Meridian, which point of beginning is North 1320 feet; thence South 89 degrees 44' West 1,015 feet along the South line of the NE1/4 SW1/4 of Section 30, to the Northwesterly right of way line of said highway, and thence along said highway right of way, as follows: North 36 degrees 34' East 1,792.17 feet South 53 degrees 26' East 25.0 feet and North 36 degrees 34' East 867.43 feet from the one quarter corner common to Sections 30 and 31 of said township and range; thence North 53 degrees 26' West 487.8 feet, more or less, to the Southeasterly right of way line of the Southern Pacific Railroad; thence North 33 degrees 38' East 276.0 feet along said railroad right of way line to the North line of said SW1/4 NE1/4 of Section 30, thence South 89 degrees 49' East 624.1 feet along said North line of the SW1/4 NE1/4 of Section 30, to the Northwesterly right of way line of said highway; thence South 36 degrees 34' West 646.6 feet along said right of way line to the point of beginning.

Property Address: 8600 Highway 97 South
Klamath County
Klamath Fall, Oregon 97601

EXHIBIT B

Permitted Exceptions:

1. Grant of Right of Way, subject to the terms and provisions thereof;
Dated: November 7, 1961
Recorded: January 9, 1962
Volume: 335, page 15, Deed Records of Klamath County Oregon
In favor of: Pacific Power and Light Company
For: Electric transmission and distribution lines
2. Encroachment of Texaco sign over East property line as revealed by survey by Truline Suveying, Inc. dated March 20, 1997.

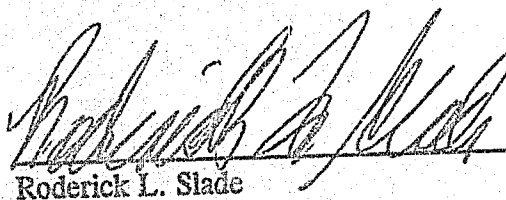
WARNING REGARDING INSURANCE

Unless you provide us 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 may make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of any insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

DATED: March 28, 1997 BORROWER:


Roderick L. Slade

Dolores H. Slade

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 4th day
of April A.D. 19 97 at 3:38 o'clock P M., and duly recorded in Vol. M97
of Mortgages on Page 9991.

Bernetha G. Letsch, County Clerk

FEE \$90.00

by 