

After recording return to:  
 U.S. Bank  
 P.O. Box 1687  
 Fargo, North Dakota 58108-2887

When Recorded Return to:  
 D1 Title, Inc.

203 Little Canada Rd  
 Ste 200

St. Paul, MN 55117

**(LINE OF CREDIT INSTRUMENT)**

**DEED OF TRUST**

Loan Account # 6430101220560001

John T. ADDISON  
 Grantor(s): Kirk W. ADDISON

John T. ADDISON  
 Borrower(s): Kirk W. ADDISON

Beneficiary(landlord): U.S. BANK NAT.  
 Trustee: U.S. BANK TRUST COMPANY

**1. GRANT OF DEED OF TRUST.** By virtue of power of sale, the following property, KLAMATH,

**SEE ATTACHMENT 2.**

as described on Exhibit A, which improvements and fixtures now or later, hereby assign to Lender any existing or to be now, I agree that I will be legally bound

attached hereto and by this reference incorporated herein, and all buildings and other located on the Property (all referred to in this Deed of Trust as "the Property"). I also assign to Lender any and all future leases and rents from the Property as additional security for the debt described below as Grantor, irrevocably grant, bargain, sell and convey to Trustee, in trust, with

Bank Account Number 6430101220560001 located in County, State of Oregon, above particularly described as follows:

Space 2194 the line for Recorder's use.  
 Date: November 16, 1998

Address: 7505 LOST RIVER RD  
 Klamath Falls, OR 97603-8801

Address: 7505 LOST RIVER RD  
 Klamath Falls, OR 97603-8801

Address: 4825 17TH AVE SW, FARGO, ND 58103  
 Address: 111 SW 1ST AVENUE  
 PORTLAND, OR 97204

**2. DEBT SECURED.** This Deed of Trust

a. The payment of the principal, interest, credit report fees, late charges, attorneys' fees (including any on appeal or review), amounts, owing under a note with an original principal amount of \$ 25,000.00, dated November 1, 1998, signed by JOHN T. ADDISON AND KIRK W. ADDISON ("Borrower")

and payable to Lender, on which the last following obligations, if any (collectively "Note").

and any extensions and renewals of any loans, if any, made by Lender to Borrower, if any, and any renewals and extensions of the obligations, if any, contained in this paragraph 2.b., is checked, unless otherwise provided in this paragraph 2.b., is also checked.

b. This payment of all amounts due

under the Credit Agreement, signed by "Credit Agreement", signed by Kirk W. ADDISON ("Borrower").

This Credit Agreement is for a revolving Agreement, one or more loans from Lender outstanding at any one time pursuant to

The term of the Credit Agreement commences on the date of the Credit Agreement, during which advances can be obtained by Borrower, followed by a repayment period during which Borrower must repay all amounts owing to Lender under the Credit Agreement, and any extensions and renewals of the same.

This Deed of Trust secures the performance of the Credit Agreement, the payment of interest, credit report fees, late charges, membership fees, attorneys' fees (including any on appeal or review), collection costs and any extensions and renewals of the Note or Credit Agreement.

c. This Deed of Trust also protects the security of this Deed of Trust, and the repayment of any advances made by Lender under this Deed of Trust.

This interest rates, payment terms and adjusted, renewed or renegotiated in renewals of the Note or Credit Agreement.

curus the following:

interest, credit report fees, late charges, attorneys' fees (including any on appeal or review), amounts, owing under a note with an original principal amount of \$ 25,000.00, dated November 1, 1998, signed by JOHN T. ADDISON AND KIRK W. ADDISON ("Borrower")

and payable to Lender, on which the last following obligations, if any (collectively "Note").

length. The words "LINE OF CREDIT" INSTRUMENT do not apply to this Deed of Trust if paragraph 2.b., is also checked.

are payable to Lender at any time under a Credit Agreement, signed by Kirk W. ADDISON ("Borrower").

line of credit under which Borrower may obtain in accordance with the terms of the Credit Agreement, one or more loans from Lender on one or more occasions. The maximum principal amount to be advanced under the Credit Agreement is \$ 25,000.00.

its of an initial period of ten years, which begins on the above-indicated date of the Credit Agreement, followed by a repayment period during which Borrower must repay all amounts owing under the Credit Agreement. The length of the repayment period and the maturity date of the Credit Agreement is determined by the beginning of the repayment period, but it will end no later than the maturity date of the Credit Agreement.

nce of the Credit Agreement, the payment of all loans payable to Lender at any time under the Credit Agreement, the payment of all amounts due under the Credit Agreement, the payment of interest, credit report fees, late charges, membership fees, attorneys' fees (including any on appeal or review), collection costs and any extensions and renewals of the Note or Credit Agreement.

he payment of all other sums, with interest thereon, advanced under this Deed of Trust so far as the performance of any covenants and agreements under this Deed of Trust. This Deed of Trust also secures the repayment of any future advances, with interest thereon, made to Borrower under this Deed of Trust.

deposited under the Note or Credit Agreement or both, as applicable, may be indexed, in accordance with the terms of the Note or Credit Agreement and any extensions and renewals of the Note or Credit Agreement.

### **3. INSURANCE, LIENS, AND UPKEEP**

3.1 I will keep the Property insured by you with fire and theft insurance. If the Property is located in any area which is, or is to be, an "special flood hazard area," insurance. The policy amount will be the amount owing on the debt secured by the insurable value of the Property, which "co-insurance" or similar provision in policies will have your standard loss one but you has a mortgage or lien on the following "Permitted Lien(s)":

(List and encumbercences of record.)

3.2 I will pay taxes and any debts that might become a lien on the Property, and will keep it free of liens, mortgages and other than yours and the Permitted Lien(s) just described.

3.3 I will also keep the Property in good condition and repair and prevent the removal of any of the things, my failure to do them will be a default under Section 3, and you may still use other rights you have.

#### **WARNING:**

Unless I provide you with evidence of required by the Credit Agreement or may purchase insurance at my expense. This insurance may, but need not, all the collateral becomes damaged, the may not pay any claim I make or any thing evidence that I have obtained property coverage elsewhere.

I am responsible for the cost of any insurance purchased by me added to the Note or Credit Agreement. If the cost is added to the Note or Credit Agreement, the highest rate on the Agreement will apply to this addendum. The effective date of coverage may be the date my prior coverage lapses or the date I fail to provide proof of coverage.

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

4. DUE ON SALE. I agree that you may due and payable all sums secured by any part of the Property, or an interest in the Property, is sold or transferred; if you exercise the option to accelerate. I know that you may use any default remedy permitted under this Deed of Trust and applicable law. I know that you may exercise your rights under this due on sale provision each time all of any part of the Property, or an interest in the Property, is sold or transferred, whether or not you exercised your rights on any previous sales or transfers.

5. PROTECTING YOUR INTEREST. I will do anything that may now or later be necessary to perfect my possession in this Deed of Trust and I will pay all recording fees and other fees and costs involved.

#### **6. DEFAULT.** It will be a default:

6.1 If you do not receive any payment on the debt secured by this Deed of Trust when it is due;

6.2 If I commit fraud or make any material misrepresentation in connection with my loan application, the Note or Credit Agreement, this Deed of Trust, or any aspect of my line of credit. For example, it will be a default if I give you a false financial statement, or if I do not tell you the truth about my money I obtained from you through the Note or line of credit;

6.3 If any action or inaction by me security for the Note or Credit Agreement, or an interest in the Property, is sold or transferred;

a. If I fail to maintain required insurance on the Property; b. If I commit waste on the Property; c. If I fail to maintain the Property;

d. If I die;

e. If I fail to pay taxes or any debts on the Property;

f. If I do not keep the Property mortgaged and liens, other than this Permitted Lien(s) I have already told you

to pay, the entire amount owing on the debt secured by the insurable value of the Property, which "co-insurance" or similar provision in policies will have your standard loss one but you has a mortgage or lien on the Property, except the following:

(List and encumbercences of record.)

3.4 I will pay the cost of your doing these things, my failure to do them will be a default under Section 3, and you may still use other rights you have.

3.5 You may declare the entire secured debt immediately due and payable all at once without notice.

3.6 Subject to any limitations imposed by applicable law, either

before or after a sale of the Property under a judicial foreclosure,

or before a sale of the Property under a nonjudicial foreclosure,

or before or after a sale of the Property under a power of sale,

you may sue for and recover from Borrower all amounts remaining

under the Credit Agreement, under the Note, and under this

Deed of Trust.

3.7 You may foreclose this Deed of Trust under applicable law,

either judicially by suit in equity or nonjudicially by

advertisment and sale.

3.8 You may have any rents from the Property collected and

the amount received, over and above costs of collection

and other lawful expenses, on the debt secured by this Deed of

Trust.

3.9 I will be liable for all reasonable collection costs you incur,

to the full extent allowed by law. If you foreclose this Deed of

Trust either judicially by suit in equity or nonjudicially by

advertisment and sale, I will also be liable for your reasonable

attorneys fees including any on appeal or review.

3.10 You may use any other rights you have under the law, this

Deed of Trust, or other agreements, including but not limited to

any Note or Credit Agreement.

3.11 I will not abandon or bankrupt.

3.12 If I fail to make a payment or otherwise violate any provision of this Deed of Trust or any other agreement, you may terminate the Deed of Trust and require me to pay the entire amount owing on the debt secured by the insurable value of the Property, which "co-insurance" or similar provision in policies will have your standard loss one but you has a mortgage or lien on the Property, except the following:

7.1 You may declare the entire secured debt immediately due and payable all at once without notice.

7.2 Subject to any limitations imposed by applicable law, either before or after a sale of the Property under a judicial foreclosure, or before a sale of the Property under a nonjudicial foreclosure, or before or after a sale of the Property under a power of sale, you may sue for and recover from Borrower all amounts remaining under the Credit Agreement, under the Note, and under this

Deed of Trust.

7.3 You may foreclose this Deed of Trust under applicable law,

either judicially by suit in equity or nonjudicially by

advertisment and sale.

7.4 You may have any rents from the Property collected and

the amount received, over and above costs of collection

and other lawful expenses, on the debt secured by this Deed of

Trust.

7.5 I will be liable for all reasonable collection costs you incur,

to the full extent allowed by law. If you foreclose this Deed of

Trust either judicially by suit in equity or nonjudicially by

advertisment and sale, I will also be liable for your reasonable

attorneys fees including any on appeal or review.

7.6 You may use any other rights you have under the law, this

Deed of Trust, or other agreements, including but not limited to

any Note or Credit Agreement.

#### **8. HAZARDOUS SUBSTANCES**

8.1 Except as previously disclosed to you in writing, I represent and warrant to you that no hazardous substance is stored, located, used or produced on the Property, and that to the best of my knowledge, after due and diligent inquiry, no hazardous substance is stored, located, used or produced on any adjacent Property, nor has any hazardous substance been stored, located, used, produced, or released on the Property or any adjacent property prior to my ownership, possession or control of the Property.

8.2 I will not cause or permit any activity on the Property that directly or indirectly could result in the release of any hazardous substance onto or under the Property or any other property. I agree to provide written notice to you immediately when I become aware that the Property or any adjacent property is being or has been subjected to a release of any hazardous substance.

8.3 You and your representatives may enter the Property at any time for the purpose of conducting an environmental audit, committing; only such injury to the Property as may be necessary to conduct the audit. You shall not be required to remedy any such injury or compensate me therefor. I shall cooperate in all respects in the performance of the audit. I shall pay the costs of the audit if either a default exists under this Deed of Trust at the time you arrange to have the audit performed or if the audit reveals a default pertaining to hazardous substances. If I refuse to permit you or your representatives to conduct an environmental audit on the Property, you may specifically enforce performance of this provision.

8.4 I will indemnify and hold you harmless from and against any and all claims, demands, liabilities, lawsuits and other proceedings, damages, losses, liens, penalties, fines, clean-up and other costs, expenses, and attorney fees (including any on appeal or review) arising directly or indirectly from or out of, or in any way connected with (i) the breach of any representation, warranty, covenant, or agreement concerning hazardous substances contained in this Deed of Trust or in any other document executed by me in connection with the debt secured by this Deed of Trust; (ii) any release onto or under the Property or other property of any hazardous substance that occurs as a direct or indirect result of acts or omissions by me or my agents or independent contractors; and (iii) any release onto or under the Property of any hazardous substance that occurs during my ownership, possession, or control of the Property.

8.5 If you shall at any time, through the exercise of any of your remedies under this Deed of Trust, or by taking a deed in lieu of foreclosure, hold title to or own the Property in your own right, you may, at your option, convey the Property to me. I covenant and agree that I shall accept delivery of any instrument of conveyance and resume ownership of the Property in the event you exercise your option hereunder to convey the Property to me. You, at your sole discretion, shall have the right to record any instrument conveying the Property to me and such recording shall be deemed acceptance by me of the instrument and the conveyance.

8.6 All of my representations and agreements contained in this Deed of Trust relating to hazardous substances, including but not limited to my representation that you will not accept conveyance of the Property ownership, shall survive disclosure and acceptance by you of a deed in lieu of foreclosure.

8.7 For purposes of this Deed of Trust, the term "hazardous substance" means any substance, designated as hazardous or toxic under federal or state or local statute, regulation or order, or any other similar term, in effect at any time during either the term of this Deed of Trust or the period of time I remain in possession of the Property following either acceptance by you of a deed in lieu of

foreclosure, or my removal from the Property under this Deed of Trust or foreclosure.

8.8 If the Note or Credit Agreement or both is completely paid off and the Credit Agreement, as applicable, is canceled and terminated as to any future loans, I understand that you will request title to, or reconvey, without warranty, the Property to the person legally entitled thereto. I will pay Trustee its fee for preparation and execution of the reconveyance instrument. If that fee does not include recording, I will record the reconveyance at my expense.

9. RELEASE AND ACTION IF DEED OF TRUST. When the Note or Credit Agreement or both is applicable, as completely paid off and the Credit Agreement, as applicable, is canceled and terminated as to any future loans, I understand that you will request title to, or reconvey, without warranty, the Property to the person legally entitled thereto. I will pay Trustee its fee for preparation and execution of the reconveyance instrument. If that fee does not include recording, I will record the reconveyance at my expense.

10. CHANGE OF ADDRESS. I will give you my new address in writing whenever I move. You may give me any notices by regular mail at the last address I have given you.

11. OREGON LAW APPLIES. This Deed of Trust will be governed by Oregon law.

12. NAMES OF PARTIES. In this Deed of Trust "I", "me" and "my" mean Grantee(s), and "you" and "your" mean Beneficiary/Lender.

I agree to all the terms of this Deed of Trust.

Grantee

*R. J. Addison*

Grantee

Grantor

Grantor

Grantor

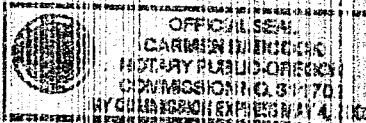
STATE OF Oregon

County of Salem

Personally appeared the above named and acknowledged the foregoing Deed of Trust to be

11/18/98 at Marcie W. Addison

Date



OFFICIAL SEAL  
CARMELEN ADDISON  
NOTARY PUBLIC OREGON  
CHAMBERS 111 C 1170  
HY GUNNISON EXPIRED MAY 14  
RENEWAL APRIL 14, 2002

Before me:

*Marcie W. Addison*

Notary Public for Oregon

My commission expires: 5/4/2002

#### RECEIPT FOR RECONVEYANCE

#### TO TRUSTEE

The undersigned is the holder of the Note or Credit Agreement evidenced by the Note or Credit Agreement or both, as applicable, secured by this Deed of Trust. The entire Deed of Trust has been paid in full. You are hereby directed to cancel the Note or Credit Agreement or both, as applicable, and this Deed of Trust to the person or persons legally entitled thereto.

or Credit Agreement or both, as applicable, secured by this Deed of Trust. The entire Note or Credit Agreement or both, as applicable, together with all other indebtedness secured by this Deed of Trust, has been paid in full. You are hereby directed to cancel the Note or Credit Agreement or both, as applicable, and this Deed of Trust to the person or persons legally entitled thereto.

Date: \_\_\_\_\_

Signature

1375

JOHN  
ARIZONA  
64301 122-560002

**ATTACHMENT A**  
**Property Description**

LOT 5, BLOCK 3, SECTION 1,  
KLAZATH, STATE OF OREGON.

STATE OF OREGON, COUNTY OF KLAZATH

Filed for record at request of

January

A.D. 1903

Title No.

11-11

clock

4:00

M

and duly recorded in Vol.

1872

the

20th

day

THE \$25.00

Linda Smith, County Clerk

by *H. Wallace Ross*