

U.S. BANK
APR 21 1977

When I recorded Return To
C.P. Tide, Inc.
213 Little Canada Rd.
St. Paul, MN 55111

**(LINE OF CREDIT INSTRUMENT)
DEED OF TRUST**

Loan Account:	66400101231760001	Please above this line for Recorder's use	
Grantor(s):	CHARLES R. GERHARDT CHERYL L. GERHARDT	Date: November 19, 1998	
Borrower(s):	CHARLES R. GERHARDT CHERYL L. GERHARDT	Address:	21251 ST MARY R. BOYDSTON, OR 97523
Beneficiary(Holder):	U.S. BANK NAT'L TRUSTEE: U.S. BANK TRUST COMPANY	Address:	RR 140 BOYDSTON, OR 97523
	ALL ASSOCIATION NATIONAL R. SOCIATION	Address:	4315 17TH AVENUE SW, FARGO, ND 58103
		Address:	111 SW 5TH AVENUE PORTLAND, OR 97204

1. GRANT OR DEED OF TRUST. By signing below as Director, I irrevocably grant, bargain, sell and convey to Trustee, in trust, with power of sale, the following property, to wit:
KLAASATE Account Number # 84130 located in Clackamas County, State of Oregon, more particularly described as follows:

SEE ATTACHMENT

or as described on Exhibit A, which is improvements and fixtures now or later heretofore added to Lender any existing on below. I agree that I will be legally bound attached hereto and by this instrument incorporated herein, and all buildings and other leased on the Property (all referred to in this Deed of Trust as "the Property"). I also future leases and rents from the Property as additional security for the debt described by me in the term stated in this Deed of Trust.

2. DEBT SECURITIES: This Deed of Trust secures

(E) a. The payment of the principal, interest, credit repair fees, late charges, attorneys' fees (including any on appeal or review), collection costs and any and all other amounts, owing under a note with an original principal amount of \$ 15,000.00, dated November 9, 1991, signed by RICHARD R. GERHARDT AND CHERYL K. GERHARDT ("Borrower")

and payable to Landar, on which the last
the following obligations, if any (collectively

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

b. The payment of all amounts th
("Credit Agreement") signed by

The Credit Agreement is for a revolving credit facility for which Borrower may obtain (in accordance with the terms of the Credit Agreement) one or more loans from time to time outstanding at any one time pursuant to one or more occasions. The maximum principal amount to be advanced under the Credit Agreement is \$ [REDACTED].

The term of the Credit Agreement consists of an initial period of ten years, which begins on the above-indicated 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 terms of the Credit Agreement. The length of the repayment period and the maturity date will depend on the amounts owed at the beginning of the repayment period, but it will end no later than the maturity date of

This Deed of Trust secures the performance of the Credit Agreement, the payment of all loans payable to Lender at any time under the Credit Agreement, the payment of all interest, credit report fees, late charges, membership fees, attorneys' fees (including any on appeal or review), collection costs, attorney and other amounts that are payable to Lender at any time under the Credit Agreement, and any extensions and renewals of any loan.

(ii) a. This Deed of Trust also secures the payment of all other sums, with interest thereon, demanded under this Deed of Trust to protect the security of this Deed of Trust and the performance of any covenants and agreements made this Deed of Trust. This Deed of Trust also secures the repayment of any future advances, with interest thereon, required by Schedule under this Deed of Trust.

The interest rate, payment terms and conditions set under the Note or Credit Agreement or both, as applicable, may be increased, adjusted, renewed or renegotiated in accordance with the terms of the Note and the Credit Agreement and any extensions and renewals of its Note or Credit Agreement or both, as applicable.

3. INSURANCE, LIENS, AND UPKEEP

3.1 I will keep the Property insured by you with fire and theft insurance, flood insurance in any area which it, or none as a "special flood hazard area," at my expense. The policy amount will be an amount owing on the debt secured by the insurable value of the Property, which is "co-insurance" or similar provision in the policies will have your standing loss paid one but you has a mortgage or lien on the following "Permitted Lien(s)";

Liens and encumbrances of record.

3.2 I will pay taxes and any debts due on the Property, and will keep it free of liens, other than yours and the Permitted Liens.

3.3 I will also keep the Property in good condition and repair and payments.

3.4 If I do not do any of these things, add the cost to the Note or Credit Agreement, I will pay the cost of your doing these things under the Note or Credit Agreement, whichever is higher; thus, my failure to do them will be a default under Section 6 for the default.

WARNING

Unless I provide you with evidence of the required by the Credit Agreement or the Deed of Trust, you may purchase insurance at my expense to protect your interest. This insurance may, but need not, also protect my interest. If the collateral becomes damaged, the coverage you purchased may not pay my claim I make or any claim made against me, may later cancel this coverage by providing evidence that I have obtained property coverage elsewhere.

I am responsible for the cost of any insurance purchased by you. The cost of this insurance may be added to the Note or Credit Agreement. If the cost is added to the Note or Credit Agreement, the highest rate on the underlying Note or Credit Agreement will apply to this added amount of coverage may be the date my prior debt I failed to provide proof of coverage.

The coverage you purchase may be considerably more expensive than insurance can obtain or satisfy any need for property damage mandatory liability insurance requirement law.

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

5. PROTECTING YOUR INTEREST. I will now or later be necessary to perfect and Trust and I will pay all recording fees and involved.

6. DEFAULT. It will be a default:

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

6.2 If I commit fraud or make any material connection with my loan application, Agreement, this Deed of Trust, or any credit. For example, it will be a default financial statement, or if I do not tell you financial situation, about the Property Deed of Trust, or about my use of the you through the Note or line of credit;

6.3 If any action or inaction by me, society for the Note or Credit Agreement, limited to, the following:

- a. If all or any part of the Property, is sold or transferred;
- b. If I fail to maintain required insurance;
- c. If I commit waste on the Property or use or fail to maintain the Property;
- d. If I die;
- e. If I fail to pay taxes or any debts due on the Property;

f. If I do not keep the Property free from mortgages and liens, other than this Deed of Trust and the Permitted Liens I have already told you about;

6.4 If I become insolvent or bankrupt; or if any person forecloses or dissolves a forfeiture on the Property; or if any kind sale contract, or forecloses any Permitted Lien or other lien on the Property; or if I fail to keep any agreement or breach the warranties, representations or covenants I am making to you in this Deed of Trust about hazardous substances on the Property.

7. YOUR RIGHTS AFTER DEFAULT. After a default, you will have the following rights and may use any one, or any combination of them, at any time.

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 by advertisement and 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 advertisement and sale.

7.4 You may have any rents from the Property collected and pay this 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 advertisement and sale, I will also be liable for your reasonable attorney 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 documents 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 this Property.

8.5 If you sell at any time, through the exercise of any of your rights 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 recordation shall be deemed acceptance by me of the instrument and the conveyance.

3.6 All of my representations, warranties, covenants and agreements contained in this Deed of Trust regarding any hazardous substance, including but not limited to my agreement to accept conveyance of the property by ownership, shall survive foreclosure or acceptance by you of a deed in lieu of foreclosure.

3.7 For purposes of this Deed of Trust, "hazardous substance" means any substance or material designated as hazardous or toxic waste, material or hazardous, toxic or radioactive substance (or any applicable federal, state or local statute, regulation or ordinance) at any time during either the term of the period of time I remain in possession of the property following either foreclosure or acceptance by you of a deed in lieu of fore-

closure, covering all Trust regarding any hazardous substance, including but not limited to my agreement to accept conveyance of the property by ownership, shall survive foreclosure or acceptance by you of a deed in lieu of fore-

closure, covering all the term of the Deed of Trust or any hazardous or toxic material defined or hazardous or toxic substance (or any applicable federal, state or local statute, regulation or ordinance) in effect on or in this Deed of Trust or custody, or control of this Deed of Trust or

3.8 **SATISFACTION OF DEED OF TRUST.** When the Note or Credit Agreement or both, as applicable, are completely paid off and the Credit Agreement, as applicable, is cancelled and terminated, it to any future loans, I understand that you will request Trustees to 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.

3.9 **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.

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

4.1 **NAME OF PARTIES.** In this Deed of Trust "I", "me" and "my" mean Grantor(s), and "you" and "your" mean Beneficiary/Lender.

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

Rita R. Rife

Grantor

Grantor

Grantor

Mark K. Kehoe

Grantor

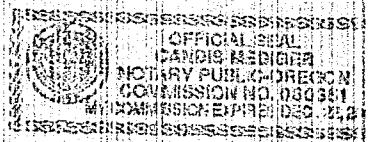
Grantor

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF OREGON

County of Klamath

Personally appeared the above named and acknowledged the foregoing Deed of Trust to be Richard T. & Cheryl K. Gerhart in unitary act.



Before me:

Carroll M. Meader

Notary Public for Oregon

My commission expires: 12-20-2003

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the Note obligation evidenced by the Note or Credit Deed of Trust, have been paid in full. You a Deed of Trust, which are delivered herewith, Trust to the person or persons legally entitled

to Credit Agreement or both, as applicable, secured by this Deed of Trust. The entire agreement or both, as applicable, together with all other indebtedness secured by this Deed of Trust, is hereby directed to cancel the Note or Credit Agreement or both, as applicable, and this and to reconvey, without warranty, all the estate now held by you under the Deed of Trust.

Date:

Signature:

MICHAEL R. ODELL & SONS
610-2397600

ATTACHMENT A

Property Description

THE S 1/2 NE 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 11 1/2 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF KLAUATH, STATE OF OREGON. 1/333 OF THE NINETEEN OF THE OREGON-CALIFORNIA BORDER LINE ROAD RIGHT OF WAY.

STATE OF OREGON COUNTY OF KLAUATH

Filed for record at request of	I.	TITLE	the	20th
of	A.D.	1999	of	day
of	Mo.	GRANTEE	of	
FEE	\$25.00		or	

or dock A.
M., and duly recorded in Vol. M99
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Linda Smith, County Clerk

Linda Smith
Robert Morris