

203

REGISTRATION REQUESTED IN

John Henry Caldwell
P.O. Box 5210
Klamath Falls, OR 97601

NOTIFICATION MAIL TO:

John Henry Caldwell Trust
P.O. Box 5210
Klamath Falls, OR 97601

SPECIAL TAX NOTICES TO:

The Caldwell Family Trust
7550 Hill Road
Klamath Falls, OR 97603

NFC 24

196-1131
SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST IS DATED THIS 15th DAY OF FEBRUARY, 1998, among The Caldwell Family Trust, whose address is 7550 Hill Road, Klamath Falls, OR 97603, Caldwell Family Trust, u/sd January 22, 1998; South Valley Bank and Trust, whose name is as "Lender" and home office address is 111 Main Street, Klamath Falls, OR 97601;

CONTRARIANCE AND GRANT. For valuable consideration, the Lender and Intestate in and to the following improvements and fixtures; all easements, rights of way, or mineral rights; and all other rights, royalties, and similar matters, located in Klamath County, Oregon, Grantor conveys to Trustee for the benefit of Lender as Beneficiary, all of Grantor's described real property, together with all existing or subsequently erected or raised buildings, structures, all water, water rights and ditch rights (including stock in trade) with ditch appurtenances; all mineral, water rights and ditch rights (including stock in trade) with ditch appurtenances; all minerals, oil, gas, geothermal properties situated in the real property, including without limitation all minerals, oil, gas, geothermal properties situated in the real property ("the Real Property").

See Attached Exhibit "A"

The Real Property or its address is co-Property Tax identification number is 55011-0100B3-000. Grantor presently conveys to Lender (as known at the time of the Property and all rights, title and interest in the Property and the Personal Property defined below).

DEFINITIONS. The following words shall have the meanings attributed to such terms in the Uniform Commercial Code.

Borrower. The word "Beneficiary" means referred to as "Lender" in this Deed of Trust.

Borrower. The word "Borrower" means each Debtor of Trust. The words "Debt of Trust" mean the assignment and security interest provided herein.

Grantor. The word "Grantor" means Intestate and Trust. Any Grantor who signs this Deed of Trust in the Real Property and to grant also debentures under this Note except as otherwise provided by contract.

Guarantor. The word "Guarantor" means co-confection with the indebtedness.

Improvements. The word "Improvements" means items annexed on the Real Property, if indebtedness. The word "Indebtedness" means all obligations of Grantor to Lender, together with interest on such amounts as principal and interest, plus interest thereon, of any one or more of them, whether now due or otherwise, whether due or not due, absolute or otherwise, whether obligated as guarantor by any statute of limitations, and whether so

Lender. The word "Lender" means South Valley Bank and Trust, together with all renewals, extensions and substitutions for, any of such principal amounts) arising from or other disputation of the Note. The word "Note" means the Note dated January 22, 1998, in the principal amount of \$1,000,000.00, from Borrower to Lender, together with all renewals, extensions and substitutions for, any of such principal amounts) arising from or other disputation of the Note. The maturity date of the Note is January 22, 2004. The rate of interest on the Note is 10% per annum.

Personal Property. The word "Personal Property" means all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached to or substituted for, any of such property premiums) arising from or other disputation of the Note. The word "Property" means all property.

Real Property. The words "Real Property" and "Real Estate" mean all documents. The words "Real Estate" mean all documents, environmental agreements, or documents, whether now or hereafter issued. Herein. The word "Person" means all persons, firms, and organizations, and agents, trustees, and successors and assigns of such person, firm, organization, or agent.

Trustee. The word "Trustee" means William

Henry J. Caldwell, Jr. and Deborah L. Caldwell, Trustees of the 1998, and their successor in Trust (referred to below as "Grantor"); address is P.O. Box 5210, Klamath Falls, OR 97601 (referred to below as "Caldwell Family"); and William P. Strandness, whose address is 411 Pine Street, Klamath Falls, OR 97601 (referred to below as "Trustee").

Grantor conveys to Trustee for the benefit of Lender as Beneficiary, all of Grantor's described real property, together with all existing or subsequently erected or raised buildings, structures, all water, water rights and ditch rights (including stock in trade) with ditch appurtenances; all mineral, water rights and ditch rights (including stock in trade) with ditch appurtenances; all minerals, oil, gas, geothermal properties situated in the real property, including without limitation all minerals, oil, gas, geothermal properties situated in the real property ("the Real Property").

Intestate known as 3267 Washburn Way, Klamath Falls, OR 97603. The Real

Property Tax identification number is 55011-0100B3-000. Beneficiary in this Deed of Trust) of Grantor's right, title, and interest in and to all present and future interest in the Real Property. In addition, Grantor grants Lender a Uniform Commercial Code security interest in the Real Property.

DEFINITIONS. The following words shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Borrower. The word "Beneficiary" means referred to as "Lender" in this Deed of Trust.

Borrower. The word "Borrower" means each Debtor of Trust. The words "Debt of Trust" mean the assignment and security interest provided herein.

Grantor. The word "Grantor" means Intestate and Trust. Any Grantor who signs this Deed of Trust in the Real Property and to grant also debentures under this Note except as otherwise provided by contract.

Guarantor. The word "Guarantor" means co-confection with the indebtedness.

Improvements. The word "Improvements" means items annexed on the Real Property, if indebtedness. The word "Indebtedness" means all obligations of Grantor to Lender, together with interest on such amounts as principal and interest, plus interest thereon, of any one or more of them, whether now due or otherwise, whether due or not due, absolute or otherwise, whether obligated as guarantor by any statute of limitations, and whether so

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Personal Property. The word "Personal Property" means all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached to or substituted for, any of such property premiums) arising from or other disputation of the Note. The word "Property" means all property.

Real Property. The words "Real Property" and "Real Estate" mean all documents. The words "Real Estate" mean all documents, environmental agreements, or documents, whether now or hereafter issued. Herein. The word "Person" means all persons, firms, and organizations, and agents, trustees, and successors and assigns of such person, firm, organization, or agent.

Trustee. The word "Trustee" means William

THIS DEED OF TRUST, INCLUDING THE PROPERTY, IS GIVEN TO SECURE (1) PAYMENT ON THE NOTE, THE RELATED DOCUMENTS AND THE FEE IN THIS DEED OF TRUST.

GRANTOR'S REPRESENTATION AND WARRANTY: (a) Grantor has made no provision in this Deed of Trust to do or omit to do anything which would result in a violation of any law, regulation, code, or order affecting Borrower on a continuing basis; information concerning Borrower (including without limitation the creditworthiness of Borrower); (b) Lender may exercise all rights and remedies available to Lender under the Note, the related documents, and this Deed of Trust; (c) Grantor has not made any statement or representation which would be false or misleading if made in writing by reason of any "one action" or "anti-deficiency" law, or any other law which grants to Lender a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency or completion of any foreclosure action, either judicially or by exercise of a power of sale.

PAYMENT AND PERFORMANCE: Except as provided in this Deed of Trust until it becomes due, and to prove the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY: Grantor and Borrower agree that Grantor's possession and use of the Property shall be

Possession and Use. Until the occurrence of an Event of Default, or until Lender exercises its right to collect Rent as provided for in the Assignment of Rights form executed by Grantor, Grantor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, (c) collect Rent from the Property. The following provisions relate to the use of the Property or INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN AWES AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON

VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS OR VIOLATIONS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 20.830.

Duty to Maintain. Grantor shall maintain the Property in habitable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "spill," "release," and "threatened release," as used in this Deed of Trust, shall have the same meaning as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 6901 et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants, to Lender, that: (a) During the period of Grantor's ownership of the Property, there has been no illegal disposal, unless or threatened release of any hazardous waste or substance by any person on, or near, the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to Lender in writing, any illegal disposal, treatment, storage, removal, or threatened release of any hazardous waste or substance on, under, or near the Property; (c) Grantor has not sold, transferred, or disposed of, or released any hazardous waste or substance on, under, or near the Property to any person, including Lender, in writing; (d) neither Grantor nor any tenant, contractor, agent, or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or near the Property and (e) any such activity shall be conducted in compliance with all applicable regulations, and requirements described above, at Grantor's expense, as Lender may require. Inspections and tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a storage, disposal, release, or threatened release of a hazardous waste or substance on the properties. The provisions of this section of the Deed of Trust, including the obligation to indemnify Lender, shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Maintenance. Grantor shall not cause damage to or destroy any portion of the Property, or any right to receive, any timber, minerals (including oil and gas), or any other products of the Property.

Removal of Improvements. Grantor shall not remove any improvement from the Real Property without the prior written consent of Lender. As a condition to the removal of such improvements with improvements of Lender's right to enter, Lender and Lender's interests and to inspect the Property.

Lender's Right to Enter. Lender and Lender's interests and to inspect the Property.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities and Disabilities Act. Grantor may contest any such requirement, including appropriate appeals, so long as Lender's interests in the Property are not satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor to materially alter the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from time to time may be reasonably necessary to protect and preserve the Property.

DEED OF SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Deed of Trust or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property, whether voluntary or involuntary; whether by outright sale, deed, instrument, lease, leasehold contract, or by sale, assignment, or other method of conveyance of Real Property, including any change in ownership of more than one-half (50%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this clause does not apply to transfers of shares of stock of Grantor to Lender.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Deed of Trust.

Payment. Grantor shall pay when due (and before), fines, and impositions levied against Lender under this Deed of Trust, except for

Right To Criminate. Grantor may withdraw from this Deed of Trust, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if there is a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to pay the fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In the event of a foreclosure or sale, Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall pay Lender's attorney's fees and costs of defense.

Evidence of Payment. Grantor shall upon demand furnish to Lender sufficient evidence of payment of the taxes or assessments and shall deliver to Lender at any time a written statement of the taxes and assessments against the

PROPERTY, AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY AND THE PERFORMANCE OF JUVENILE AND ALL OBLIGATIONS OF PAYMENT WHICH ARE SEEN ON THIS DEED OF TRUST IS GIVEN AND ACCEPTED.

RANTIES. Grantor warrants that: (1) the Deed of Trust is executed in Borrower's request and not at Lender's request; (2) Lender has authority to enter into this Deed of Trust and to hypothecate the Property; (3) the will, or record, in the office of the recorder of deeds, or other instrument binding upon Grantor and do not conflict with the Deed of Trust; (4) Grantor has established adequate means of obtaining from Borrower's financial condition; and (5) Lender has made no representation to Grantor about the creditworthiness of Borrower.

GRANTOR'S WARRANTIES. Grantor warrants that Lender may prevent Lender from bringing any action deficiency, before or after Lender's commencement

PAYMENT AND PERFORMANCE. Except as provided in this Deed of Trust, Lender shall pay to Lender all indebtedness secured by this Deed of Trust, and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

PROPERTY. Grantor and Borrower agree that Grantor's possession and use of the Property shall be

subject to the following conditions: (1) Lender may collect Rent as provided for in the Assignment of Rights form executed by Grantor, (2) Lender may collect Rent from the Property, (3) the following provisions relate to the use of the Property or INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN AWES AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON

VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS OR VIOLATIONS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 20.830.

Duty to Maintain. Grantor shall maintain the Property in habitable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "spill," "release," and "threatened release," as used in this Deed of Trust, shall have the same meaning as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 6901 et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that:

(a) During the period of Grantor's ownership of the Property, there has been no illegal disposal, unless or threatened release of any hazardous waste or substance by any person on, or near, the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to Lender in writing, any illegal disposal, treatment, storage, removal, or threatened release of any hazardous waste or substance on, under, or near the Property; (c) Grantor has not sold, transferred, or disposed of, or released any hazardous waste or substance on, under, or near the Property to any person, including Lender, in writing; (d) neither Grantor nor any tenant, contractor, agent, or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or near the Property and (e) any such activity shall be conducted in compliance with all applicable regulations, and requirements described above, at Grantor's expense, as Lender may require.

Inspections and tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a storage, disposal, release, or threatened release of a hazardous waste or substance on the properties. The provisions of this section of the Deed of Trust, including the obligation to indemnify Lender, shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Maintenance. Grantor shall not cause conduct or permit any nuisance, noxious smell, permit, or suffer any stripping of or waste on or off the Property, including the general area of the foreclosed property. Grantor will not remove, or grant to any other party the use of land and gas, oil, gravel or rock products without the prior written consent of Lender.

Improvement. Lender may remove any improvement from the Real Property without the prior written consent of Lender. Lender may require Grantor to make arrangements satisfactory to Lender to replace any removed improvement.

Lender's Right to Enter. Lender and Lender's interests and to inspect the Property.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities and Disabilities Act. Grantor may contest any such requirement, including appropriate appeals, so long as Lender's interests in the Property are not satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor to materially alter the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from time to time may be reasonably necessary to protect and preserve the Property.

DEED OF SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Deed of Trust or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property, whether voluntary or involuntary; whether by outright sale, deed, instrument, lease, leasehold contract, or by sale, assignment, or other method of conveyance of Real Property, including any change in ownership of more than one-half (50%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this clause does not apply to transfers of shares of stock of Grantor to Lender.

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Payment. Grantor shall pay when due (and before), fines, and impositions levied against Lender under this Deed of Trust, except for

Right To Criminate. Grantor may withdraw from this Deed of Trust, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if there is a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to pay the fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In the event of a foreclosure or sale, Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall pay Lender's attorney's fees and costs of defense.

Evidence of Payment. Grantor shall upon demand furnish to Lender sufficient evidence of payment of the taxes or assessments and shall deliver to Lender at any time a written statement of the taxes and assessments against the

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RANTIES. Grantor warrants that: (1) the Deed of Trust is executed in Borrower's request and not at Lender's request; (2) Lender has authority to enter into this Deed of Trust and to hypothecate the Property; (3) the will, or record, in the office of the recorder of deeds, or other instrument binding upon Grantor and do not conflict with the Deed of Trust; (4) Grantor has established adequate means of obtaining from Borrower's financial condition; and (5) Lender has made no representation to Grantor about the creditworthiness of Borrower.

GRANTOR'S WARRANTIES. Grantor warrants that Lender may prevent Lender from bringing any action deficiency, before or after Lender's commencement

PAYMENT AND PERFORMANCE. Except as provided in this Deed of Trust, Lender shall pay to Lender all indebtedness secured by this Deed of Trust, and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

PROPERTY. Grantor and Borrower agree that Grantor's possession and use of the Property shall be

subject to the following conditions: (1) Lender may collect Rent as provided for in the Assignment of Rights form executed by Grantor, (2) Lender may collect Rent from the Property, (3) the following provisions relate to the use of the Property or INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN AWES AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON

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Duty to Maintain. Grantor shall maintain the Property in habitable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

title of Debtor's interest in the Property to Lender, and that Debtor will pay the cost of such transfer.

PROPERTY DAMAGE INSURANCE. The following provisions relating to maintenance of insurance, Grantor shall procure reinsurance on the basis of the full insured value, covering liability clauses, and with a standard major liability insurance in such coverage amounts as the insurance policies. Additionally, Grantor shall insure insurance, as Lender may reasonably require, and issued by a company or companies reasonably having the policies or certificates of insurance in force without at least ten (10) days prior written notice to Lender will not be impaired in any way from becoming located in an area designated by the agency to obtain and maintain Federal Flood Insurance Program, or as otherwise required by Lender.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$500.00. Lender may make available to Grantor funds necessary to repair or replace the Property if the estimated cost of repair or replacement exceeds \$500.00. Lender may, at its election, receive and retain the proceeds of any insurance and apply the proceeds to the repair or replacement of the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Any proceeds which have not been disbursed within 100 days after their receipt by Lender shall be used first to pay any amount owing to Lender under this Deed of Trust, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Unexpired Insurance & Sale. Any unexpired Deed of Trust at any trustee's sale or other sale

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Deed of Trust, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Grantor shall pay all expenses incurred by Lender in the defense of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable or demand, (b) be added to the balance of any instrument payments to be made due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Deed of Trust also will ensure payment of taxes, assessments, and other charges which Lender may be entitled to recover from Grantor or Lender from any remedy that it otherwise could

have against Grantor, and in sum recover any services furnished, or any amount or time which could be asserted in a court of law, services, and/or damages Lender advances assuming satisfactory to Lender.

Insurance. The following provisions relating to insurance are a part of this Deed of Trust. Lender will maintain insurance with standard extended coverage endorsements on a pro rata basis in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance, including but not limited to hazard, business interruption, and boiler cover shall be written in form, amounts, coverage, and basis reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time satisfactory to Lender, including stipulations that changes will not be cancelled or diminished by Lender. Each insurance policy also shall include an endorsement providing that coverage in any act, omission or default of Grantor or any other person. Should the Real Property at any time be located in a special flood hazard area, Grantor agrees to obtain and maintain flood insurance for the full unpaid principal balance of the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$500.00. Lender may make available to Grantor funds necessary to repair or replace the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Any proceeds which have not been disbursed within 100 days after their receipt by Lender shall be used first to pay any amount owing to Lender under this Deed of Trust, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Unexpired Insurance & Sale. Any unexpired Deed of Trust at any trustee's sale or other sale

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust. Lender or Grantor's behalf may, but shall not be required to, take any action that Lender in so doing will bear interest at the rate provided for in the Note from the date incurred or paid by Lender on behalf of Grantor. All such expenses, at Lender's option, will (a) be payable or demand, (b) be added to the balance of any instrument payments to be made due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Deed of Trust also will ensure payment of taxes, assessments, and other charges which Lender may be entitled to recover from Grantor or Lender from any remedy that it otherwise could

have against Grantor, and in sum recover any services furnished, or any amount or time which could be asserted in a court of law, services, and/or damages Lender advances assuming satisfactory to Lender.

DEFENSE OF TITLE. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to this Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustees or Lender in the Property, Lender may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceedings by counsel of its own choice, and Grantor will deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to this Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustees or Lender in the Property, Lender may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceedings by counsel of its own choice, and Grantor will deliver this Deed of Trust to Lender.

Compliance With Laws. Grantor warrants and complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust.

Application of Net Proceeds. If all or any portion of the Property is condemned by eminent domain proceedings or by any proceeding or purchase for retitle that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees incurred by Trustees or Lender in connection with the condemnation.

Proceedings. If any proceeding in court or otherwise is taken to effect the condemnation, Grantor shall defend such proceeding and shall be entitled to participate in the proceedings and to be represented in the proceedings by counsel of its own choice, and Grantor will deliver to Lender such instruments as Lender may request from time to time to permit such participation.

ASSUMPTION OF TAXES, FEES AND CHARGES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon whatever other action is requested by Lender, taxes, as described below, together with all other taxes, fees, documentary stamps, and other charges.

Taxes. The following shall constitute taxes of the Indebtedness secured by this Deed of Trust: (a) payments on the Indebtedness secured by Holder of the Note; and (c) a specific tax or

Subsequent Taxes. If any tax to which this effect as an Event of Default (as defined below) unless Grantor either (a) pays the same to Lender within three (3) days of the section and deposits with Lender cash or a

SECURITY AGREEMENT; FINANCING STATEMENT. The following provisions relating to this Deed of Trust are a part of this Deed of Trust.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Property in the real property records. Lender may, at any time and with notice to Grantor, take any action in further further action from Grantor. He executed counterparts, copies or reproductions of this Deed of Trust in the real property records in a manner and at a place reasonably convenient to Grantor and Lender and make a record of writing demand from Lender.

Address. The mailing address of Grantor as granted by this Deed of Trust may be changed at any time.

FURTHER ASSISTANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender, documents, and when requested by Lender, cause to be filed, recorded, refiled, or resubmitted, and in such offices and places as Lender may deem appropriate, any and all such mortgages,

deeds, assignments, transfers, and other documents in addition to this Deed of Trust and take to perfect and continue Lender's tenancy in the Real Property. Grantor shall reimburse Lender for all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation charges for recording or registering this Deed of Trust.

Taxes. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Assumption of Taxes, Fees and Charges. Upon whatever other action is requested by Lender, taxes, as described below, together with all other taxes, fees, documentary stamps, and other charges.

Taxes. The following shall constitute taxes of the Indebtedness secured by this Deed of Trust:

Subsequent Taxes. If any tax to which this effect as an Event of Default (as defined below) unless Grantor either (a) pays the same to Lender within three (3) days of the section and deposits with Lender cash or a

SECURITY AGREEMENT; FINANCING STATEMENT. The following provisions relating to this Deed of Trust are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender, documents, and when requested by Lender, cause to be filed, recorded, refiled, or resubmitted, and in such offices and places as Lender may deem appropriate, any and all such mortgages,

terms of (i) security devices, security and other documents as may, in the sole discretion of the Borrower, be necessary or desirable in order to effectuate, complete, perfect, continue, or extend its last or prior interest in the Property, whether now owned or hereafter acquired by Grantor, contrary to or in addition, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.	generally, including, but not limited to, instruments of transfer, assignments, instruments of transfer, certificates, opinions of law, or documents necessary or desirable in order to effectuate, complete, perfect, continue, or extend its last or prior interest in the Property, whether now owned or hereafter acquired by Grantor, contrary to or in addition, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.
FULL PERFORMANCE. If Borrower pays all Dues of Trust, Lender shall execute and deliver to Trustee a Deed of Reconveyance and shall execute and deliver to Grantor suitable statements evidencing Lender's security interest in the Flents and the Personal Property. Any reconveyance fee shall be paid by applicable law.	any of the obligations referred to in the preceding paragraph, Lender may do so for and in the name of the Borrower, and (b) irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, or accomplishing the matters referred to in this paragraph.
DEFALTY. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Deed of Trust:	(i) Failure on Indebtedness. Failure of Borrower to make any payment when due on the Indebtedness.
Default on Other Payments. Failure of Borrower to make any payment necessary to prevent the incurrence of taxes or insurance; or failure to effect discharge of any liens.	(ii) Failure to make any payment for taxes or insurance; or any other payment necessary to prevent the incurrence of taxes or insurance; or failure to effect discharge of any liens.
Default in Honor of Tsoref Perkin's Sale Agreement. Should sales agreement, or any other agreement between Borrower or any Grantor's ability to retain the Documents.	(iii) Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sale of any property or any other creditor or person that may materially affect any of Borrower's property or by the Lender or perform their respective obligations under this Deed of Trust or any of the Related Documents.
Complaint Default. Failure of Grantor, Trust, the Note or in any of the Related Documents Statements. Any warranty, recital or statement made or furnished to Lender by or on behalf of Grantor or Borrower under this Deed of Trust, the Note or the Related Documents.	(iv) Borrower to comply with any other term, obligation, covenant or condition contained in this Deed of Trust.
Ineffective Collateralization. This Deed of Trust, or any of the Related Documents, to create a valid and enforceable lien on any property of Grantor or Borrower.	(v) Any statement made or furnished to Lender by or on behalf of Grantor or Borrower under this Deed of Trust or any of the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.
Foreclosure, Forfeiture, etc. Commencement by any creditor of Grantor or Borrower in the event of a good faith dispute by Creditors.	(vi) Trust or any of the Related Documents ceases to be in full force and effect (including failure of any related subsidiary interest or lien) at any time and for any reason.
Breach of Other Agreement. Any breach of any agreement of Grantor or Borrower with Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other, whether existing now or later.	(vii) The insolvency of Grantor or Borrower, the appointment of a receiver for any part of the business of creditors, any type of creditor workout, or the commencement of any proceeding or against Grantor or Borrower.
Events Affecting Guarantor. Any of the events becoming incompetent, incapable or deceased, shall not be required to pay the Guarantee to Lender; and, in doing so, cure the Event of Default.	(viii) Any proceeding or foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or by any governmental agency against any of the Property. However, this subsection shall not apply to us to the validity or assignability of the claim which is the basis of the foreclosure or forfeiture if written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.
Adverse Change. A material adverse performance of the Indebtedness is impaired.	(ix) Grantor or Borrower, under the terms of any other agreement between Grantor or Borrower and Lender provided therein, including without limitation any agreement concerning any indebtedness or other, whether existing now or later.
Right to Cure. If such a failure is capable of cure within the preceding twelve (12) months within notice demanding cure of ten days, immediately initiates steps sufficient to produce compliance as soon as reasonably practicable.	(x) An Event of Default occurs with respect to Grantor or any of the Indebtedness or any Guarantor dies while the validity of the liability under this Deed of Trust continues. Lender, at its option, may, but is not required to, assume the undischarged obligations arising under the guarantee in a manner satisfactory to Lender.
Rights and Remedies on Default. Upon the occurrence of any one or more of the following rights and remedies:	(xi) An Event of Default occurs in Borrower's financial condition, or Lender believes the prospect of payment or
Accelerate Indebtedness. Lender shall immediately declare the entire Indebtedness due and payable, including an acceleration of the same.	(xii) Insurece.
Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by judicial process or Trust is foreclosed by judicial foreclosure, insufficient to satisfy the judgment, execution	and if Grantor or Borrower has not been given a notice of a breach of the same provision of this Deed of Trust, it may be given (a) if no Event of Default will have occurred; if Grantor or Borrower, after Lender's notice: (a) fails to cure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, fails to cure and thereafter continues and completes all reasonable and necessary steps sufficient to cure.
UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.	(xiii) An Event of Default occurs in Borrower's financial condition, or Lender believes the prospect of payment or
Collect Rents. Lender shall have the right to collect Rents, including amounts past due and thereafter of this right, Lender may require the Flents and collect by Lender, if an amount payment thereof in the name of Grantor as response to Lender's demand shall satisfy.	(xiv) Accelerate Indebtedness.
Assign Right over. Lender shall have the right to protect and preserve the Property, to secure proceeds, over and above the cost of the Lender's right to the appointment of a receiver, to negotiate the same and collect the proceeds.	(xv) Foreclosure.
Priority and Sufficiency. If Grantor cannot be lawfully possessed of the Property and shall, at Lender's option, upon the demand of Lender.	(xvi) Grantor shall become entitled to sufficient title to the Property, with the power to have the Property sold as provided above, or Lender otherwise
Other Remedies. Trustee or Lender shall give Grantor notice of the time and place of any public sale of the Personal Property or of the time after	(xvii) upon deposit of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of her (a) paying reasonable rental for the use of the Property, or (b) vacates the Property immediately
Sale of the Property. To the extent permitted by applicable law, Grantor and Borrower hereby waive any and all rights to have the Property	(xviii) to any other right or remedy provided in this Deed of Trust or the Note, or by law.
Notice of Sale. Lender shall give Grantor notice of the time and place of any public sale of the Personal Property or of the time after	(xix) notice of the time and place of any public sale of the Personal Property to be made. Registrable notice shall mean notice given at least ten (10) days before the time of the sale of the Property.
Waiver; Election of Remedies. A waiver by the party's rights otherwise to demand strict compliance in the Deed of Trust, the Note, or election to make expenditures or to take action	(xx) to any party of any provision of this Deed of Trust shall not constitute a waiver of or prejudice compliance with that provision or any other provision. Election by Lender to pursue any remedy in the Related Document, or provided by law shall not exclude pursuit of any other remedy, and an election to perform an obligation of Grantor or Borrower under this Deed of Trust after failure of Grantor or

Borrower to perform which will effect Lender's Right to Arbitration (Plead; Expenses). If Lender institutes an action or suit sum as to which may adjudge reasonable expenses incurred by Lender while enforcement of its Right shall become a part of the expenses until repaid. Expenses covered by the Lender's attorney's fees whether or not there is a award any automatic stay or injunction, appeals and the records (including foreclosure reports), surveyor's appraisals law. Grantor also will pay any court costs.

Right of Trustee. Trustee shall have all of the right POWERS AND OBLIGATIONS OF TRUSTEE. The following

Powers of Trustee. In addition to all powers of Trustee to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plan of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property affecting this Deed of Trust or the interest of Lender under this Deed of Trust;

Obligation to Notify. Trustee shall not be obligated to notify any other party of a pending suit under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender containing, in addition to all other matters required by this Deed of Trust is recorded, and the name and address of the successor Trustee, and the instrument shall be executed and acknowledged by Lender or his successors in interest. This successor shall be appointed upon the Trustee in this Deed of Trust and all other provisions for substitution.

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice required by law, and shall be effective when mailed, shall be deemed effective when deposited in the addressee shown near the beginning of this Deed of Trust, written notice to the other parties, specifying that the purpose of any letter which has priority over this Deed of Trust. For notice purposes, Grantor agrees to keep Lender and

sure a default and to exercise all its remedies, cure or action before any of the terms of this Deed of Trust. Lender shall be entitled to legal attorney's fees at the time of any court action is involved, in Lender's opinion as necessary at any time for the protection of its interest or the indefeasibility, payable on demand and shall bear interest at the rate of paragraph initial, without limitation, however subject to any limit under applicable law, result, including attorney's fees for bankruptcy proceedings (including efforts to modify or any anticipatory post-judgment collection services, the cost of searching records, obtaining reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by in addition to all other costs provided by law).

and dues of Lender as set forth in this section.

The provisions relating to the powers and obligations of Trustee are part of this Deed of Trust.

arising as a matter of law, Trustee still have the power to take the following actions with Lender and Grantor: (a) join in preparing and filing a map or plan of the Real Property, the public; (b) join in granting any easement or creating any restriction on the Real Property, affecting this Deed of Trust or the interest of Lender under this Deed of Trust;

Obligation to Notify. Trustee shall not be obligated to notify any other party of a pending suit under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender containing, in addition to all other matters required by this Deed of Trust is recorded, and the name and address of the successor Trustee, and the instrument shall be executed and acknowledged by Lender, without conveyance of the Property, shall succeed to all the title, power, and duties by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

notices under this Deed of Trust shall be in writing, may be sent by telefacsimile (unless actually delivered), or when deposited with a nationally recognized overnight courier, or, if United States mail first class, certified or registered mail, postage prepaid, directed to the party lev, the names of the original Lender, Trustee, and Grantor, the book and page where of the successor Trustee, and the instrument shall be executed and acknowledged by trustee, without conveyance of the Property, shall succeed to all the title, power, and duties by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

MISCELLANEOUS PROVISIONS. The following miscellane-

ous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any amendments, constitutes the entire understanding and agreement of the parties as to in or amendment to this Deed of Trust shall be ineffective unless given in writing and signed by the original or amendment.

Applicable Law. This Deed of Trust has been created and shall be governed by and construed in accordance with the laws of the State of Oregon.

Prohibited Lender and recipient by Lender in the State of Oregon. This Deed of Trust with the laws of the State of Oregon.

Capitol Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest held by or for the benefit of Lender in any cap-

estate created by this Deed of Trust with any other interest or estate in the Property or any property, without the written consent of Lender.

estate created by this Deed of Trust with any other interest or estate in the Property or any property, without the written consent of Lender.

Multiple Parties. All obligations of Grantor and Borrower under this Deed of Trust shall be joint and several, and all references to Borrower shall mean each and every Borrower, and all references below is responsible for all obligations in this Deed of Trust.

Severability. If a court of competent jurisdiction in any instance, such finding shall not render this Deed of Trust invalid or unenforceable as to any person or provision, such finding shall not render the offending provision invalid or unenforceable as to any person or circumstances. If feasible, any such provision shall be deemed to be modified to the intent of this Deed of Trust; if all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations upon and inure to the benefit of the parties to this Deed of Trust, without notice to Grantor, may in any way of forbearance or extension without releasing

any provision of this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor's successors with reference to this Deed of Trust and the indebtedness by him from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in

the performance of this Deed of Trust.

Waivers and Consents. Lender shall not be de- undated such waiver in writing and signed by Lender of such right or any other right. A waiver by any party otherwise to demand strict compliance with this Deed of Trust by Grantor or Borrower, shall not affect future transactions. Whenever consent by Lender is required in this Deed of Trust, it shall be given in writing and signed by Lender.

Grantor that this Deed of Trust is a commercial Deed of Trust and that Grantor will not change

CONFIDENTIAL DEED OF TRUST. Grantor agrees with the title of the Property without Lender's prior written con-

sent.

EACH GRANTOR ACKNOWLEDGES HAVING READ THIS DEED OF TRUST.

ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS

GRANTOR:

By: Deborah L. Caldwell Title: Trustee

By: Deborah L. Caldwell Title: Trustee

By: Deborah L. Caldwell Title: Trustee

STATE OF Oregon

COUNTY OF Klamath

In this day being me, the undersigned Notary Public, personally appeared Henry A. Caldwell, Jr., Trustee, and Deborah L. Caldwell, Trustee, who are known to be the individuals described in this instrument and voluntary and free, for the uses and purposes herein mentioned.

Given under my hand and official seal this

By: Henry A. Caldwell
Notary Public in and for the State of Oregon

NOTARY PUBLIC IN OREGON
OFFICIAL SEAL
KERSTI L. FEDD
NOTARY PUBLIC, OREGON
COMMISSION NO. 048516
EXPIRES NOV 10, 1999
RE-REGISTERED NOV 10, 1998

INDIVIDUAL ACKNOWLEDGMENT

\$ See
In this day being me, the undersigned Notary Public, personally appeared Henry A. Caldwell, Jr., Trustee, and Deborah L. Caldwell, Trustee, who are known to be the individuals described in this instrument and voluntary and free, for the uses and purposes herein mentioned.

Given under my hand and official seal this

Day of January, 1999
Residing at Klamath County

My commission expires 11/16/99

REQUEST FOR FULL RECONVEYANCE

(To be used only when 40 or more gallons have been paid in full)

To:

The undersigned is the legal owner and holds fully paid and satisfied. You are hereby directed, any applicable statute, to cancel the Note recd. without warranty, to the parties designated by me on my and Related Documents to

all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been paid in full to you or any sums owing to you under the terms of this Deed of Trust, or pursuant to this Deed of Trust, which is delivered to you together with this Deed of Trust, and to reconvey the property held by you under this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the

Date:

Beneficiary:

By:

Its:

LASER PRO Reg. U.S. Pat. & Tm. Off. Inv. 234541200000

REGISTRATION NO. 40-1101400. ALL RIGHTS RESERVED. (CR-9714) LCP USE IN COLOR



EXHIBIT A
LEGAL DESCRIPTION

A tract of land situated in the NW 1/4 NW 1/4 of Section 10, Township 35 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, said tract being a portion of Parcel 1 and Partition No. 79-37, said tract being more particularly described as follows:

Beginning at a 5/8 inch iron pin with cap at the intersection of the Southerly right of way line of Hilyard Avenue and the Easterly right of way line of Washburn Way, said iron pin being South 89 degrees 06' 00" East 64.11 feet and South 00 degrees 02' 42" East 30.00 feet from the Northwest corner of said Section 10, thence South 89 degrees 06' 00" East along the line of Hilyard Avenue, 534.46 feet, more or less, to the West right of way line of Broadmoore Street, as described in Volume M87 at page 18488, Microfilm Records of Klamath County, Oregon, thence along said West line of Broadmoore Street South 00 degrees 09' 48" of land described in Volume M87 at page 6690, Microfilm Records of Klamath County, Oregon, thence North 89 degrees 33' 43" West 360.41 feet to a point on the North line of that tract, Volume M73 at page 10203, Microfilm Records of Klamath County, Oregon, to a 5/8 inch iron pin with cap on the Easterly right of way line of Washburn Way, thence North 00 degrees 02' 42" West along said Easterly right of way line, 564.75 feet to the point of beginning, with cap of survey of said Major Land Partition 79-37.

EXCEPTING THEREFROM the portion conveyed to the State of Oregon, by and through its Department of Transportation by Deed recorded December 21, 1995 in Volume M95 at page 34788, Microfilm Records of Klamath County, Oregon, and also in Deed recorded December 12, 1996 in Volume M96 at page 3595, Microfilm Records of Klamath County, Oregon.

STATE OF OREGON : COUNTY OF KLAMATH

Filed for record at request of	A.D.	1999	Serial	11-16	o'clock	A.M.	on	22nd	day
of	Month		Pages			of	Page		
FEE \$40.00									
Linda Smith, County Clerk									