

713508
RECORDING INFORMATION
PL-7 OREGON COMMERCIAL LOAN
PORTLAND, OR 97204

WHEN RECEIVED MAIL TO:
U.S. BANK NATIONAL ASSOCIATION
FIDELITY AND SECURITY NATIONAL BANK
BORROWERS DEPARTMENT
PORTLAND, OR 97204



DEED OF TRUST

THIS DEED OF TRUST IS DATED JANUARY 8, 1990, among JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, UNDER ANDERSON LOVING TRUST DATED OCTOBER 18, 1990, whose address is 3777 BENEVOLENT DRIVE, KILMATH FALLS, OR 97118 (referred to below as "Grantor"); U. S. BANK NATIONAL ASSOCIATION, whose address is PL-7 OREGON COMMERCIAL LOAN AND, OR, 97204, referred to below sometimes as "Lender" and sometimes as "Beneficiary"; and U.S. BANK TRUST COMPANY, National Association, whose address is 111 S.W. 5th Avenue, Portland, Oregon 97204 (referred to below as "Trustee").

Grantor provides to Trustee for the benefit of Lender as Beneficiary all of Grantor's interest in and to the following improvements and fixtures: all easements, rights or benefits (including stock in utilities with ditch or irrigation rights); and all other rights, royalties and similar matters, located in KILMATH FALLS, CLATSOP COUNTY, STATE OF OREGON (the "Real Property").

SPACE IS SET ASIDE FOR RECORDERS USE ONLY

CONVEYANCE AND GRANT. For value of right, title, and interest in and to the following improvements and fixtures: all easements, rights or benefits (including stock in utilities with ditch or irrigation rights); and all other rights, royalties and similar matters, located in KILMATH FALLS, CLATSOP COUNTY, STATE OF OREGON (the "Real Property").

Grantor provides to Trustee for the benefit of Lender as Beneficiary all of Grantor's interest in and to the following improvements and fixtures: all easements, rights or benefits (including stock in utilities with ditch or irrigation rights); and all other rights, royalties and similar matters, located in KILMATH FALLS, CLATSOP COUNTY, STATE OF OREGON (the "Real Property").

Grantor provides to Trustee for the benefit of Lender as Beneficiary all of Grantor's interest in and to the following improvements and fixtures: all easements, rights or benefits (including stock in utilities with ditch or irrigation rights); and all other rights, royalties and similar matters, located in KILMATH FALLS, CLATSOP COUNTY, STATE OF OREGON (the "Real Property").

SEE ATTACHED EXHIBIT "A"
The Real Property or its address is commonly known as 205 RIVEFSIDE DRIVE, KILMATH FALLS, OR 97021. It is located on T. 11 N. R. 32 E. T. 2100, T. 2200 AND T. 1300.

commonly known as 205 RIVEFSIDE DRIVE, KILMATH FALLS, OR 97021. It is located on T. 11 N. R. 32 E. T. 2100, T. 2200 AND T. 1300.

commonly known as 205 RIVEFSIDE DRIVE, KILMATH FALLS, OR 97021. It is located on T. 11 N. R. 32 E. T. 2100, T. 2200 AND T. 1300.

DEFINITIONS. The following words shall have the meanings ascribed to them in this deed of trust, unless the context clearly indicates otherwise.

DEFINITIONS. The following words shall have the meanings ascribed to them in this deed of trust, unless the context clearly indicates otherwise.

DEFINITIONS. The following words shall have the meanings ascribed to them in this deed of trust, unless the context clearly indicates otherwise.

Beneficiary. The word "Beneficiary" means U.S. BANK NATIONAL ASSOCIATION, as successor and assign.

Beneficiary. The word "Beneficiary" means U.S. BANK NATIONAL ASSOCIATION, as successor and assign.

Beneficiary. The word "Beneficiary" means U.S. BANK NATIONAL ASSOCIATION, as successor and assign.

Borrower. The word "Borrower" means JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, dated October 18, 1990.

Borrower. The word "Borrower" means JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, dated October 18, 1990.

Borrower. The word "Borrower" means JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, dated October 18, 1990.

Deed of Trust. The words "Deed of Trust" mean this deed of trust and all instruments executed in connection therewith.

Deed of Trust. The words "Deed of Trust" mean this deed of trust and all instruments executed in connection therewith.

Deed of Trust. The words "Deed of Trust" mean this deed of trust and all instruments executed in connection therewith.

Grantor. The word "Grantor" means JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, dated October 18, 1990.

Grantor. The word "Grantor" means JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, dated October 18, 1990.

Grantor. The word "Grantor" means JERRY O. ANDERSON TRUSTEE, OR THEIR SUCCESSORS IN TRUST, dated October 18, 1990.

Improvements. The word "Improvements" means all improvements, buildings, structures, fixtures, and other attachments on the Real Property.

Improvements. The word "Improvements" means all improvements, buildings, structures, fixtures, and other attachments on the Real Property.

Improvements. The word "Improvements" means all improvements, buildings, structures, fixtures, and other attachments on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable by the Borrower to the Lender under this deed of trust, together with interest on such amounts as provided in this deed of trust.

Indebtedness. The word "Indebtedness" means all principal and interest payable by the Borrower to the Lender under this deed of trust, together with interest on such amounts as provided in this deed of trust.

Indebtedness. The word "Indebtedness" means all principal and interest payable by the Borrower to the Lender under this deed of trust, together with interest on such amounts as provided in this deed of trust.

Lender. The word "Lender" means U.S. BANK NATIONAL ASSOCIATION, its successors and assigns.

Lender. The word "Lender" means U.S. BANK NATIONAL ASSOCIATION, its successors and assigns.

Lender. The word "Lender" means U.S. BANK NATIONAL ASSOCIATION, its successors and assigns.

Note. The word "Note" means the promissory note, together with all renewals, endorsements, modifications, and substitutions for the Note, including, but not limited to, assignments, amendments, and substitutions.

Note. The word "Note" means the promissory note, together with all renewals, endorsements, modifications, and substitutions for the Note, including, but not limited to, assignments, amendments, and substitutions.

Note. The word "Note" means the promissory note, together with all renewals, endorsements, modifications, and substitutions for the Note, including, but not limited to, assignments, amendments, and substitutions.

Personal Property. The word "Personal Property" means all personal property, fixtures, and other attachments of personal property now or hereafter owned by the Borrower, together with all proceeds, including without limitation all insurance proceeds and refunds of the Personal Property.

Personal Property. The word "Personal Property" means all personal property, fixtures, and other attachments of personal property now or hereafter owned by the Borrower, together with all proceeds, including without limitation all insurance proceeds and refunds of the Personal Property.

Personal Property. The word "Personal Property" means all personal property, fixtures, and other attachments of personal property now or hereafter owned by the Borrower, together with all proceeds, including without limitation all insurance proceeds and refunds of the Personal Property.

Related Documents. The word "Related Documents" means all promissory notes, credit agreements, loan documents, and other instruments, agreements and amendments, whether now or hereafter existing, and all amendments, modifications, and substitutions.

Related Documents. The word "Related Documents" means all promissory notes, credit agreements, loan documents, and other instruments, agreements and amendments, whether now or hereafter existing, and all amendments, modifications, and substitutions.

Related Documents. The word "Related Documents" means all promissory notes, credit agreements, loan documents, and other instruments, agreements and amendments, whether now or hereafter existing, and all amendments, modifications, and substitutions.

Trustee. The word "Trustee" means U.S. BANK TRUST COMPANY, National Association and any successor or assign.

Trustee. The word "Trustee" means U.S. BANK TRUST COMPANY, National Association and any successor or assign.

Trustee. The word "Trustee" means U.S. BANK TRUST COMPANY, National Association and any successor or assign.

THIS DEED OF TRUST, INCLUDING THE JOINT AND SEVERAL LIABILITY OF THE GRANTEE HEREIN, IS GIVEN IN FULL PAYMENT OF THE DEED OF TRUST AND THE RELATED INTEREST ON THE FOLLOWING TERMS:

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor represents and warrants that (a) the Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, authority, and authority to execute and so have binding the Property; and (c) the provisions of this Deed of Trust do not conflict with any applicable laws, regulations, court decrees, or orders applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower a continuing basis information about the Property; (e) Lender has made no representation to Grantor about the Property; and (f) Lender has made no representation to Grantor about the Property.

GRANTOR'S WAIVER. Grantor waives all rights of defense, including a claim for deficiency, to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's assignment of the Property to a foreclosure action, either judicial or by exercise of a power of sale.

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

FORECLOSURE AND MAINTENANCE OF THE PROPERTY. Grantor and Borrower agree that Grantor's possession and use of the Property shall be governed by the following provisions:

Exception and Use. Until the occurrence of a Default, Grantor may (a) remain in possession and control of the Property; (b) use, operate or manage the Property, and (c) collect any rents from the Property. The following provisions relate to the use of the Property or to other activities on the Property. THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST PARKING OR FOREST PRACTICES AS DEFINED IN ORS 30.900.

Duty to Maintain. Grantor shall maintain the Property in conformity with applicable laws and promptly perform all repairs, improvements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "deposit," "release," and "threatened release," as used in this Deed of Trust, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"); the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-469 ("SARA"); the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; or other applicable state or Federal law, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" all also include petroleum, petroleum products 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 release, disposal, or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to Lender in writing, (i) any generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property; (ii) any other release or occurrence of the Property or (iii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) except as previously disclosed to and acknowledged by Lender in writing, (i) 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, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and investigations, and to take any action necessary to determine compliance of the Property with the section of the Deed of Trust. Any inspections or 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. The representations and warranties contained herein are based on Grantor's due diligence in 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 breach of the section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, treatment, disposal, release or threatened release of a hazardous waste or substance on the property. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any release or discharge of any waste or other substance on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove or grant to any other party the right to remove any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Financial Improvements. Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property in all reasonable times to attend to Lender's interests and to inspect the property for purposes of Lender's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Regulations. Grantor shall comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation, or regulation and without compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not put in jeopardy. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interests.

Duty to Protect. Grantor agrees neither to sell nor lease or otherwise encumber the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein, whether legal, beneficial or equitable, whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership, or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, in the case of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Oregon law.

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

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or materials furnished to the Property. Grantor shall maintain the Property free of all liens arising prior to or equal to the interest of Lender under the Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, 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 the lien arises or is filed, or if a lien is not paid, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien, plus any costs and attorney's fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall post such cash and bond and shall notify any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligor under a surety bond furnished to the parties' proceedings.

Enforcement of Liens. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender any lien or written statement of the taxes and assessments against the Property.

Grantee of the Deed of Trust... Lender shall... the Deed of Trust...

PROPERTY DAMAGE INSURANCE. The existing... maintenance of insurance... Lender shall... the Deed of Trust...

Application of Proceeds. Grantor shall... Lender may... the Deed of Trust...

Uninsured Insurance at Sale. Any... Lender shall... the Deed of Trust...

TAX AND INSURANCE RESERVES. Subject to... Lender shall... the Deed of Trust...

LIEN RIGHTS BY LENDER. If Grantor fails... Lender shall... the Deed of Trust...

WARRANTY OF DEFENSE OF TITLE. The following... Lender shall... the Deed of Trust...

DEFENSE OF TITLE. Subject to the... Lender shall... the Deed of Trust...

COMPLIANCE WITH LAWS. Grantor warrants... Lender shall... the Deed of Trust...

COOPERATION. The following provisions... Lender shall... the Deed of Trust...

Grantee of the Deed of Trust... Lender shall... the Deed of Trust...

PROPERTY DAMAGE INSURANCE. The existing... maintenance of insurance... Lender shall... the Deed of Trust...

Application of Proceeds. Grantor shall... Lender may... the Deed of Trust...

Uninsured Insurance at Sale. Any... Lender shall... the Deed of Trust...

TAX AND INSURANCE RESERVES. Subject to... Lender shall... the Deed of Trust...

LIEN RIGHTS BY LENDER. If Grantor fails... Lender shall... the Deed of Trust...

WARRANTY OF DEFENSE OF TITLE. The following... Lender shall... the Deed of Trust...

DEFENSE OF TITLE. Subject to the... Lender shall... the Deed of Trust...

COMPLIANCE WITH LAWS. Grantor warrants... Lender shall... the Deed of Trust...

COOPERATION. The following provisions... Lender shall... the Deed of Trust...

Grantee of the Deed of Trust... Lender shall... the Deed of Trust...

PROPERTY DAMAGE INSURANCE. The existing... maintenance of insurance... Lender shall... the Deed of Trust...

Application of Proceeds. Grantor shall... Lender may... the Deed of Trust...

Uninsured Insurance at Sale. Any... Lender shall... the Deed of Trust...

TAX AND INSURANCE RESERVES. Subject to... Lender shall... the Deed of Trust...

LIEN RIGHTS BY LENDER. If Grantor fails... Lender shall... the Deed of Trust...

WARRANTY OF DEFENSE OF TITLE. The following... Lender shall... the Deed of Trust...

DEFENSE OF TITLE. Subject to the... Lender shall... the Deed of Trust...

COMPLIANCE WITH LAWS. Grantor warrants... Lender shall... the Deed of Trust...

COOPERATION. The following provisions... Lender shall... the Deed of Trust...

Default. Grantor shall remain liable for the debt secured by this Deed of Trust until the debt is paid in full to Lender within three (3) days after receipt of the proceeds of the sale of the Property. The mailing address of the Trustee (jointly and severally) shall be the address of the Trustee as set forth in the Deed of Trust.

FURTHER ASSURANCES; ATTORNEY'S FEES. 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, by Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or re-recorded, as the case may be, all instruments and in such of the following as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the discretion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor and Borrower under the Note, this Deed of Trust, and the Related Documents, and (b) the lien and security interests created by this Deed of Trust as first and foremost on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or restricted in connection with the matter referred to in this paragraph, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to perform any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower pays in full the indebtedness secured by this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement or other encumbering Lender's security interest in the Realty and the Personal Property. Any reconveyance fee required by law shall be paid by Grantor. If the indebtedness is not paid in full, the provisions of this Deed of Trust shall remain in full force and effect.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Deed of Trust:

- Default on Indebtedness.** Failure of Borrower to make any payment when due in the Indebtedness.
- Default on Other Payments.** Failure of Grantor to make any payment for taxes or insurance, or any other payment necessary to prevent forfeiture of or to effect discharge of any lien.
- Compliance Default.** Failure of Grantor or Borrower to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.
- Fraud Statements.** Any warranty, representation 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 is false or misleading in any material respect, either now or at the time made or furnished.
- Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.
- Insolvency.** The dissolution or termination of the Trust, the insolvency of Grantor or Borrower, the appointment of a receiver for any part of Grantor or Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency law by or against Grantor or Borrower.
- Foreclosure, Forfeiture, etc.** Commencement of foreclosure or similar proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.
- Breach of Other Agreement.** Any breach by Grantor or Borrower under the terms of any other agreement between Grantor or Borrower and Lender that is not remedied within any specified period provided therein, including without limitation any agreement concerning any indebtedness of Grantor or Borrower to Lender, whether existing now or later.
- Events Affecting Guaranty.** Any of the following events occurs with respect to any Guarantor or any of the Indebtedness or any Guarantor dies or becomes incompetent or revokes or impairs the validity of its liability under any Guaranty of the Indebtedness:
 - Adversity Changes.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.
 - Insolvency.** Grantor or Borrower becomes insolvent.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Trustee or Lender, at its option, may exercise any one or more of the following rights and remedies in addition to any other rights or remedies provided by law:

- Accelerate Indebtedness.** Lender shall have the right, at its option, without notice to Grantor or Borrower to declare the entire Indebtedness immediately due and payable, including any contingent payments which Borrower would be required to pay.
- Foreclosure.** With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial proceeding. In either case, the proceeds, net and to the full extent permitted by applicable law. If this Deed of Trust is foreclosed by judicial proceeding, Lender will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for the amount of the unpaid balance of the judgment.

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.

Collect Rental. Lender shall have the right, without notice to Grantor or Borrower, to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor must timely designate Lender or Grantor's attorney-in-fact to enforce instruments received in payment thereof in the rents of Grantor (and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in respect to Lender's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand exist. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to collect the Property proceeds from foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receiver, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall not be limited to the present value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenant's Surrender. If Grantor or Borrower becomes entitled to possession of the Property upon the sale of the Property, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either: (a) pay a reasonable rent by the use of the Property, or (b) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property will be made. Reasonable notice shall mean notice given at least ten (10) days before the date of the sale or disposition. Any sale of Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Grantor and Borrower hereby waive any and all rights to have the Property marshaled. In exercising its rights and remedies, the Trustee or Lender shall act as well as or any part of the Property together or separately, in one sale or by separate sales. Lender will not be liable to file any public notice in all or any portion of the Property.

Waiver of Remedies. A waiver by any party of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy provided in this Deed of Trust, the Note, in any Related Document, or by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor or Borrower under this Deed of Trust after failure of Grantor or Borrower to perform shall not affect Lender's right to declare a default and to exercise any of its remedies.

Attorney's Fees, Expenses. If Lender recovers this sum as the cost may cause the reasonable expenses incurred by Lender in the exercise of its rights shall be borne by Grantor until repaid. Expenses of Lender's attorney's fees whether or not waived any duplicate stay of injunction, the report including foreclosure report applicable law. Grantor also will pay any

POWERS AND OBLIGATIONS OF TRUSTEE

Powers of Trustee. In addition to all powers of Trustee in the deed of trust or other instruments including the dedication of streets or other and (c) join in any subordination or other

Obligations to Notify. Trustee shall not be proceeding in which Grantor, Lender, or

Trustee. Trustee shall meet all qualifications with respect to all or any part of the Property by judicial foreclosure, in either

Successor Trustee. Lender, at Lender's instrument executed and acknowledged in this deed of trust is recorded, and the Lender or his successors in interest. The conferred upon the Trustee in this deed of all other provisions for substitution.

NOTICES TO GRANITOR AND OTHER PARTIES. Any notice under this deed of trust shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when deemed effective when deposited at the address shown near the beginning of this deed of trust; notice to the other parties, specifying the holder of any lien which has priority over the Property. For notice purposes, Grantor agrees to keep Lender and Trustee informed at all times of Grantor's current address.

ACCESS LAWS. (a) Grantor agrees that Grantor and the Property shall at all times strictly comply with the requirements of the Americans with Disabilities Act of 1990; the Fair Housing Act or any statute, rule, regulation, ordinance, order or resolution, in now existing or hereafter in compliance with the Access Laws and insure compliance with the Access Laws from an architect, engineer, or other third party acceptable to Lender.

(b) Notwithstanding any provisions set forth in this deed of trust, in connection with such approval, Lender may require a certificate of compliance with the Access Laws from an architect, engineer, or other third party acceptable to Lender.

(c) Grantor agrees to pay prompt written notice to Lender of any proceedings or investigations which may be instituted against Grantor or the Property.

(d) Grantor shall indemnify, defend, and hold Lender harmless from all claims, demands, damages, costs, expenses, losses, including without limitation reasonable attorneys fees and expenses arising directly or indirectly from or out of or in any way connected with any failure to comply with any of the provisions of this section shall survive any termination, modification, assignment, judicial or nonjudicial foreclosure proceeding, or delivery of a deed in lieu of foreclosure.

MISCELLANEOUS PROVISIONS. The following provisions are a part of this deed of trust.

Amendments. This deed of trust, together with any other instruments, shall be amended only by the party or parties sought to be changed or bound by the amendment or amendment.

Applicable Law. This deed of trust shall be governed by the laws of the State of Oregon. Subject to the provisions of this deed of trust, the deed of trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Caption Headings. Caption headings in this deed of trust are for convenience purposes only and are not to be used to interpret or define the terms or substance of this deed of trust.

Severability. If any provision of this deed of trust is held to be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

Successors and Assigns. Subject to the provisions of this deed of trust, the deed of trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this deed of trust (or under the Related Documents) by Lender. No duty or obligation on the part of Lender in exercising any right shall operate as a waiver of any other provision of this deed of trust or any other provision. No prior waiver by Lender, nor any course of dealing, shall constitute a waiver of any of Lender's rights or any of Grantor or Borrower's obligations as to any provision of this deed of trust.

Entire Agreement. This deed of trust, together with any other instruments, shall constitute the entire agreement between the parties with respect to the subject matter hereof, and shall supersede all other agreements, understandings, or negotiations between the parties with respect to the subject matter hereof.

Assignment. Lender may assign its rights and obligations under this deed of trust to any person or entity, and any assignment shall be effective without notice to Grantor or Borrower.

Force Majeure. If any provision of this deed of trust is held to be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

shall any such provision of this deed of trust be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

POWERS AND OBLIGATIONS OF TRUSTEE

Powers of Trustee. In addition to all powers of Trustee in the deed of trust or other instruments including the dedication of streets or other and (c) join in any subordination or other

Obligations to Notify. Trustee shall not be proceeding in which Grantor, Lender, or

Trustee. Trustee shall meet all qualifications with respect to all or any part of the Property by judicial foreclosure, in either

Successor Trustee. Lender, at Lender's instrument executed and acknowledged in this deed of trust is recorded, and the Lender or his successors in interest. The conferred upon the Trustee in this deed of all other provisions for substitution.

NOTICES TO GRANITOR AND OTHER PARTIES. Any notice under this deed of trust shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when deemed effective when deposited at the address shown near the beginning of this deed of trust; notice to the other parties, specifying the holder of any lien which has priority over the Property. For notice purposes, Grantor agrees to keep Lender and Trustee informed at all times of Grantor's current address.

ACCESS LAWS. (a) Grantor agrees that Grantor and the Property shall at all times strictly comply with the requirements of the Americans with Disabilities Act of 1990; the Fair Housing Act or any statute, rule, regulation, ordinance, order or resolution, in now existing or hereafter in compliance with the Access Laws and insure compliance with the Access Laws from an architect, engineer, or other third party acceptable to Lender.

(b) Notwithstanding any provisions set forth in this deed of trust, in connection with such approval, Lender may require a certificate of compliance with the Access Laws from an architect, engineer, or other third party acceptable to Lender.

(c) Grantor agrees to pay prompt written notice to Lender of any proceedings or investigations which may be instituted against Grantor or the Property.

(d) Grantor shall indemnify, defend, and hold Lender harmless from all claims, demands, damages, costs, expenses, losses, including without limitation reasonable attorneys fees and expenses arising directly or indirectly from or out of or in any way connected with any failure to comply with any of the provisions of this section shall survive any termination, modification, assignment, judicial or nonjudicial foreclosure proceeding, or delivery of a deed in lieu of foreclosure.

MISCELLANEOUS PROVISIONS. The following provisions are a part of this deed of trust.

Amendments. This deed of trust, together with any other instruments, shall be amended only by the party or parties sought to be changed or bound by the amendment or amendment.

Applicable Law. This deed of trust shall be governed by the laws of the State of Oregon. Subject to the provisions of this deed of trust, the deed of trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Caption Headings. Caption headings in this deed of trust are for convenience purposes only and are not to be used to interpret or define the terms or substance of this deed of trust.

Severability. If any provision of this deed of trust is held to be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

Successors and Assigns. Subject to the provisions of this deed of trust, the deed of trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this deed of trust (or under the Related Documents) by Lender. No duty or obligation on the part of Lender in exercising any right shall operate as a waiver of any other provision of this deed of trust or any other provision. No prior waiver by Lender, nor any course of dealing, shall constitute a waiver of any of Lender's rights or any of Grantor or Borrower's obligations as to any provision of this deed of trust.

Entire Agreement. This deed of trust, together with any other instruments, shall constitute the entire agreement between the parties with respect to the subject matter hereof, and shall supersede all other agreements, understandings, or negotiations between the parties with respect to the subject matter hereof.

Assignment. Lender may assign its rights and obligations under this deed of trust to any person or entity, and any assignment shall be effective without notice to Grantor or Borrower.

Force Majeure. If any provision of this deed of trust is held to be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

shall any such provision of this deed of trust be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

POWERS AND OBLIGATIONS OF TRUSTEE

Powers of Trustee. In addition to all powers of Trustee in the deed of trust or other instruments including the dedication of streets or other and (c) join in any subordination or other

Obligations to Notify. Trustee shall not be proceeding in which Grantor, Lender, or

Trustee. Trustee shall meet all qualifications with respect to all or any part of the Property by judicial foreclosure, in either

Successor Trustee. Lender, at Lender's instrument executed and acknowledged in this deed of trust is recorded, and the Lender or his successors in interest. The conferred upon the Trustee in this deed of all other provisions for substitution.

NOTICES TO GRANITOR AND OTHER PARTIES. Any notice under this deed of trust shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when deemed effective when deposited at the address shown near the beginning of this deed of trust; notice to the other parties, specifying the holder of any lien which has priority over the Property. For notice purposes, Grantor agrees to keep Lender and Trustee informed at all times of Grantor's current address.

ACCESS LAWS. (a) Grantor agrees that Grantor and the Property shall at all times strictly comply with the requirements of the Americans with Disabilities Act of 1990; the Fair Housing Act or any statute, rule, regulation, ordinance, order or resolution, in now existing or hereafter in compliance with the Access Laws and insure compliance with the Access Laws from an architect, engineer, or other third party acceptable to Lender.

(b) Notwithstanding any provisions set forth in this deed of trust, in connection with such approval, Lender may require a certificate of compliance with the Access Laws from an architect, engineer, or other third party acceptable to Lender.

(c) Grantor agrees to pay prompt written notice to Lender of any proceedings or investigations which may be instituted against Grantor or the Property.

(d) Grantor shall indemnify, defend, and hold Lender harmless from all claims, demands, damages, costs, expenses, losses, including without limitation reasonable attorneys fees and expenses arising directly or indirectly from or out of or in any way connected with any failure to comply with any of the provisions of this section shall survive any termination, modification, assignment, judicial or nonjudicial foreclosure proceeding, or delivery of a deed in lieu of foreclosure.

MISCELLANEOUS PROVISIONS. The following provisions are a part of this deed of trust.

Amendments. This deed of trust, together with any other instruments, shall be amended only by the party or parties sought to be changed or bound by the amendment or amendment.

Applicable Law. This deed of trust shall be governed by the laws of the State of Oregon. Subject to the provisions of this deed of trust, the deed of trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Caption Headings. Caption headings in this deed of trust are for convenience purposes only and are not to be used to interpret or define the terms or substance of this deed of trust.

Severability. If any provision of this deed of trust is held to be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

Successors and Assigns. Subject to the provisions of this deed of trust, the deed of trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this deed of trust (or under the Related Documents) by Lender. No duty or obligation on the part of Lender in exercising any right shall operate as a waiver of any other provision of this deed of trust or any other provision. No prior waiver by Lender, nor any course of dealing, shall constitute a waiver of any of Lender's rights or any of Grantor or Borrower's obligations as to any provision of this deed of trust.

Entire Agreement. This deed of trust, together with any other instruments, shall constitute the entire agreement between the parties with respect to the subject matter hereof, and shall supersede all other agreements, understandings, or negotiations between the parties with respect to the subject matter hereof.

Assignment. Lender may assign its rights and obligations under this deed of trust to any person or entity, and any assignment shall be effective without notice to Grantor or Borrower.

Force Majeure. If any provision of this deed of trust is held to be invalid or unenforceable as to any person or provision, the remainder of this deed of trust shall remain valid and enforceable.

Unless you provide us with evidence that may purchase, substitute or protect your interest in the collateral subject of your claim against your obtained property coverage. You are responsible for the limit of or to your contract or loan agreement. If the underlying contract or loan will apply your price coverage lapsed or the price. The coverage the purchase may be covered may not entitle any need for price. Applicable law.

The insurance coverage is provided by our contract or loan agreement. This insurance may, but need not, also cover interest. Our policy may not pay any claim you file. This coverage is provided by providing evidence that you have obtained property coverage. You are responsible for the limit of or to your contract or loan agreement. If the underlying contract or loan will apply your price coverage lapsed or the price. The coverage the purchase may be covered may not entitle any need for price. Applicable law.

The insurance coverage is provided by our contract or loan agreement. This insurance may, but need not, also cover interest. Our policy may not pay any claim you file. This coverage is provided by providing evidence that you have obtained property coverage. You are responsible for the limit of or to your contract or loan agreement. If the underlying contract or loan will apply your price coverage lapsed or the price. The coverage the purchase may be covered may not entitle any need for price. Applicable law.

EACH GRANTOR ACKNOWLEDGES HAVING RECEIVED THE DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

HERRY O. ANDERSON AND ELIZABETH A. ANDERSON
MAY 15, 1999

By: *[Signature]*
ELIZABETH A. ANDERSON, TRUSTEE

By: *[Signature]*
HERRY O. ANDERSON, TRUSTEE

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

GRANTOR:

HERRY O. ANDERSON AND ELIZABETH A. ANDERSON
MAY 15, 1999

By: *[Signature]*
ELIZABETH A. ANDERSON, TRUSTEE

By: *[Signature]*
HERRY O. ANDERSON, TRUSTEE

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

GRANTOR:

HERRY O. ANDERSON AND ELIZABETH A. ANDERSON
MAY 15, 1999

By: *[Signature]*
ELIZABETH A. ANDERSON, TRUSTEE

By: *[Signature]*
HERRY O. ANDERSON, TRUSTEE

STATE OF Oregon

COUNTY OF Clatsop

On this day before me, the undersigned Notary Public, to me known to be the individuals of whose free and voluntary act and deed, for the given under my hand and official seal this

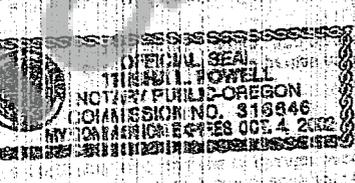
By: *[Signature]*
Notary Public in and for the State of Oregon

INDIVIDUAL ACKNOWLEDGMENT

Public, personally appeared HERRY O. ANDERSON, TRUSTEE, and ELIZABETH A. ANDERSON, TRUSTEE, and acknowledged that they signed the Deed of Trust and this instrument for the purposes stated.

Witness my hand and official seal this 13th day of May 1999.

By: *[Signature]*
My commission expires 10/14/2002



REQUEST FOR FULL RECEIVANCE

To: _____

The undersigned is the legal owner and holder in fee simple of the property described in the deed of trust, and hereby certifies that the property is not subject to any other deed of trust, mortgage, or other lien, and that the same is not subject to any other claim or encumbrance.

Date: _____

REQUEST FOR FULL RECEIVANCE

To: _____

The undersigned is the legal owner and holder in fee simple of the property described in the deed of trust, and hereby certifies that the property is not subject to any other deed of trust, mortgage, or other lien, and that the same is not subject to any other claim or encumbrance.

Date: _____

REQUEST FOR FULL RECEIVANCE

To: _____

The undersigned is the legal owner and holder in fee simple of the property described in the deed of trust, and hereby certifies that the property is not subject to any other deed of trust, mortgage, or other lien, and that the same is not subject to any other claim or encumbrance.

Date: _____

Notary Public in and for the State of Oregon

Thelma L. Powell

My Commission Expires 10/14/2002

Notary Public in and for the State of Oregon

Thelma L. Powell

My Commission Expires 10/14/2002

Notary Public in and for the State of Oregon

Thelma L. Powell

My Commission Expires 10/14/2002

EXHIBIT "A"

This Exhibit "A" is attached to and by this reference is made a part of the Deed of Trust, Certificate of Compliance with Access Laws and Eminent Domain Agreements and Certificate and Instrument Regarding Hazardous Substances, dated January 08, 1999 in connection with a loan or other financial accommodations between U. S. Bank National Association and Anderson Loving Trust (Borrower).

PARCEL 1:

A parcel of land being a portion of Lots 3, 4 and 5, Block 3, WEST KLAMATH FALLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwesterly corner of Lot 5, Block 3 and running North 06 degrees 45' 00" West 214.58 feet; thence North 83 degrees 15' 00" East 128.37 feet; thence South 43 degrees 47' 09" East 67.99 feet; thence North 83 degrees 15' 00" East 10.00 feet; thence South 0 degrees 57' 40" East 80.07 feet; thence South 06 degrees 45' 50" East 80.12 feet; thence South 83 degrees 12' 58" West 182.95 feet to the point of beginning.

EXCEPTING THEREFROM the South 40 feet of above described parcel.

PARCEL 2:

The South 50 feet of the following described parcel:

A parcel of land being a portion of Lots 3, 4 and 5, Block 3, WEST KLAMATH FALLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwesterly corner of Lot 5, Block 3 and running North 06 degrees 45' 00" West 214.58 feet; thence North 83 degrees 15' 00" East 128.37 feet; thence South 43 degrees 47' 09" East 67.99 feet; thence North 83 degrees 15' 00" East 10.00 feet; thence South 0 degrees 57' 40" East 80.07 feet; thence South 06 degrees 45' 55" East 80.12 feet; thence South 83 degrees 12' 58" West 182.95 feet to the point of beginning.

EXCEPTING THEREFROM those portions lying within the boundaries of the Dallas-California Highway U.S. 97 & State Highway 140 and Earlington Northern Railway.

By: [Signature]
Jury B. Anderson, as Trustee for Anderson Loving Trust, dated October 15, 1990

By: [Signature]
Elizabeth Anderson, as Trustee for Anderson Loving Trust, dated October 16, 1990

SWITH OREGON : COUNTY OF KLAMATH

Filed for record at request of Anderson Title & Escrow the 26th day of JANUARY A.D. 1999 at 1:00 o'clock AM, and duly recorded in Vol. 1199 of Mortgage on Page 2612

FEES \$40.00

Linda Smith, County Clerk
by [Signature]