

RECOMMENDATION REQUESTED:

South Valley Bank and Trust  
P.O. Box 97603  
Klamath Falls, OR 97601

WHEN RECORDED MAIL TO:

South Valley Bank and Trust  
P.O. Box 97603  
Klamath Falls, OR 97601

SEND TAX NOTICE TO:

Beth Deaver  
10610 Hill Rd  
Klamath Falls, OR 97603

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

## LINER OF CREDIT DEED OF TRUST

LINE OF CREDIT INSTRUMENT. (1) This Deed of Trust is a Line of Credit Instrument. (2) The maximum principal amount to be advanced pursuant to the Note is \$10,000.00.

THIS DEED OF TRUST IS DATED JUNE 19, 1999, among Beth E. Deaver, whose address is 10610 Hill Rd, Klamath Falls, OR 97603 (hereinafter "Borrower"); South Valley Bank and Trust, whose address is P.O. Box 97603, Klamath Falls, OR 97601 (hereinafter "Lender"); and William P. Brindisness, whose address is 111 Pine Street, Klamath Falls, OR 97601 (hereinafter as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, right, title, and interest in and to the following improvements and fixtures; all easements, rights or irrigation 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 affixed buildings, way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch and profits relating to the real property), including without limitation all minerals, oil, gas, geothermal and similar property (the "Real Property"):

Beginning at the Southeast corner of the Willamette Meridian, of Lot 7 of said Section 31, on said meander line 7 of the Northeast corner of the beginning, being a portion of the Willamette Meridian,

EXCEPTING therefrom such for canal rights of way, Company for railroad rights on page 154, Deed Record Township 39 South, Range "G" Land, NE1/4NE1/4, Lot Meridian.

SAVING AND EXCEPTING to Great Northern Railway,

ALSO SAVING AND EXCEPTING E.W.M., lying East of the "

corner of the SE1/4SE1/4 of Section 31, Township 39 South, Range 10 East lying thence West on the South line of said Section 31 to the West line thence North with meander line on the East side of Lost River to a point as and 20 links North of said section line; thence in an Easterly direction to SE1/4SE1/4 of said Section 31; thence South 20 chains to the place of the SW1/4SW1/4 and Lot 7, Section 31 in Township 39 South, Range 10 East

portions as have been heretofore deeded to the United States of America (S.C. 18(C)(3))ING that portion thereof deeded to Great Northern Railway of way by deed dated June 10, 1931, recorded June 13, 1931, in Volume 95 of Klamath County, Oregon. That portion of the SW1/4SW1/4 of Section 32, 10 East of the Willamette Meridian, lying Westerly of the right of way of the 7, 8, 9, in Section 6, Township 40 South, Range 10 East of the Willamette Meridian, lying East of the "

portion of the NE1/4NE1/4 of Section 6, Township 40 S. R. 10

Carrying that portion of the NE1/4NE1/4 of Section 6, Township 40 S. R. 10

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The Real Property or the address of Grantor presently assigns to Lender (also known as the Property and/or Real Estate and the Personal Property defined below).

DEFINITIONS. The following words shall have the meanings attributed to them by this Deed of Trust; shall have the meanings attributed to such words by the laws of the United States of America.

Beneficiary. The word "Beneficiary" is referred to as "Lender" in this Deed of Trust of Trust. The words "Deed of assignment" and "security interest" provi-

Existing indebtedness. The word "Existing Deed of Trust"

Grantor. The word "Grantor" insures as Guarantor. The word "Guarantor" is connected with the Indebtedness.

Improvement. The word "Improvement" means mobile homes affixed on the Real Property.

Indebtedness. The word "Indebtedness" means all obligations of Grantor to Lender, discharge obligations of Grantor together with interest on such amounts due and payable, plus interest based one or more of them, whether now or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated, and whether Grantor may be liable individually or jointly with any other obligated or guaranteee, any statute of limitations, and whether

comprised in the Deed of Trust all of Grantor's right, title, and interest in and to all present and future property in addition, Grantor grants to Lender a Uniform Commercial Code security interest in the following property, including when used in this Deed of Trust, terms not otherwise defined in this Deed of Trust in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful terms in the Uniform Commercial Code.

and South Valley Bank and Trust; its successors and assigns. South Valley Bank and Trust also is

not mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all relating to the Personal Property and Rights.

Indebtedness means the indebtedness described below in the Existing Indebtedness section of this

and all debts, liquidated or unliquidated, arising from this Deed of Trust, including without limitation Beth E. Deaver,

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means and includes without limitation all existing and future improvements, buildings, structures, fixtures, and other improvements attached thereto on the Real Property.

obligations, all principal and interest payable under the Note and any amounts expended or advanced by

or expenses incurred by Trustee or Lender to enforce obligations of Grantor under this Deed of Trust,

provided in this Deed of Trust, in regard to the Note, the word "Indebtedness" includes all obligations

of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor, or any

one or more of them, whether arising, whether legal or equitable, or related to the purpose of the Note, whether voluntary or

or otherwise, and whether property upon such Indebtedness may be taken or may become barred by

any statute of limitations, and whether



**Right to Contest.** Grantor may pay or forgive Lender's Indebtedness in (15) days after the non-payment required by Lender (capital and/or to discharge the same plus any interest, attorney's fees, and other expenses incurred by Lender).

**Evidence of Payment.** Grantor shall furnish the appropriate government Property.

**Notice of Construction.** Materials are supplied to the Project or materials and the cost exceeds \$100.00. Grantor will furnish Lender information concerning such construction.

#### PROPERTY DAMAGE INSURANCE.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurance coverage clause, and with a start liability insurance in such coverage as insurance policies. Additionally, Grantor shall Lender may reacquire and issued by a company or church time the policies or certificates of insurance at least ten (10) days prior to favor of Lender will not be impaired. time become located in an area designated to obtain and maintain Federal the National Flood Insurance Program.

**Application of Proceeds.** Grantor replacement exceeds \$500.00. Lender security is impaired, Lender reduction of the Indebtedness, paying the proceeds to restoration and repair. Lender shall, upon satisfactory proof of repair or replacement if Grantor is not in default, and which Lender has not nominated Deed of Trust; then to pay accrued interest and hold any proceeds after payment in

**Unexpired Insurance at Sale.** Any Deed of Trust at any trustee's sale or

**Compliance with Existing Indebtedness provisions contained in the under this Deed of Trust, to the extent any proceeds from the insurance best portion of the proceeds not payable to**

**Grantor's Report on Insurance.** Upon existing policy of insurance showing that current replacement value of such shall, upon request of Lender, have as

**EXPENDITURES BY LENDER.** If Grantor Indebtedness in good standing is required, Lender on Grantor's behalf may expend in so doing will bear interest at the All such expenses, at Lender's option, will be payable with any installment payments to Note, or (c) be treated as a balloon payment these amounts. The rights provided for in account of this default. Any such action by

**WARRANTY; DEFENSE OF TITLE.** The following

**Title.** Grantor warrants that: (a) Grantor encumbrances other than those set forth in the report, or final title opinion, full right, power, and authority to execute

**Defense of Title.** Subject to the lawful claims of all persons, in the event under this Deed of Trust, Grantor shall shall be entitled to participate in the delivery, or cause to be delivered, to Lender

**Compliance With Laws.** Grantor will ordain and regulate the government

**EXISTING INDEBTEDNESS.** The following

**Obligation.** The Note of this Deed of Obligation, with an account number approximately \$400,000.00 and \$100.00 payment. Grantor expressly reserves indebtedness, any default under the Indebtedness.

**Default.** If the payment of any instalment evidencing such indebtedness, or the applicable grace period therein, then, a payable, and this Deed of Trust shall be

**No Modification.** Grantor shall not have priority over this Deed of Trust by Lender. Grantor shall neither request

**CONDEMNATION.** The following provisions

**Application of Net Proceeds.** If a proceeding in lieu of condemnation, Lender may apply the net proceeds of the award to the Indebtedness.

**Proceedings.** If any proceeding in con-

dition of a grant or lease in connection with a good faith deposit over the obligation to pay, if a receiver is appointed as a result of non-payment, Grantor shall within fifteen (15) days after receiving notice of the filing, secure the discharge of the lien, or if the cash or a sufficient amount of money or other security satisfactory to Lender in an amount sufficient to satisfy any adverse judgment before enforcement against the Property. Grantor shall

upon demand furnish to Lender satisfactory evidence of payment of the taxes and assessments and shall furnish to Lender at any time a written statement of the taxes and assessments against the

**Notice of Lien.** If ten (15) days before any work is commenced, any services are furnished, or any mechanic's, materialmen's, or other lien could be asserted on account of the work, services, \$100.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender for such improvements.

**Moving provisions relating to insuring the Property are a part of this Deed of Trust.**

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurance coverage clause, and with a start liability insurance in such coverage as insurance policies. Additionally, Grantor shall also procure and maintain comprehensive general policies as Lender may require with respect to Lender being named as additional insureds in such liability insurance, such other insurance, including but not limited to hazard, business interruption, and boiler equipment. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender as reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished in no way to Lender. Each insurance policy also shall include an endorsement providing that coverage in any way by statute, omission or default of Grantor or any other person. Should the Real Property at any time be declared by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor shall insure for the full unpaid principal balance of the loan, up to the maximum policy limits set under such otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Appropriation of Proceeds.** Grantor promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not may, at its election, receive and retain the proceeds of any insurance and apply the proceeds to the of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender, of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this trust, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interest may appear.

**Unexpired Insurance at Sale.** Any Deed of Trust at any trustee's sale or

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**Grantor's Report on Insurance.** Upon existing policy of insurance showing that current replacement value of such shall, upon request of Lender, have as

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**Proceedings.** If any proceeding in con-

and to record such Deed of Trust or any other documents in the office of the Recorder of Deeds or in the office of the Clerk of Court, or to be delivered to Lender's attorney.

#### IMPOSTS, TAXES, FEES AND CHARGES

and charging are a part of this Deed of Trust.

**Current Taxes, Fees and Charges:** Whenever other action is required to pay taxes, as described below, together all taxes, fees, documents and stamps,

**Taxes:** The following shall constitute of the Indebtedness secured by this on the Indebtedness secured by this the Note; and (d) a specific tax on a

**Subsequent Taxes:** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default (as defined below); unless Grantor either (i) pays the tax before it becomes delinquent, or (ii) contests the tax as provided above in the Taxes and Liens section and deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

#### SECURITY AGREEMENT; FINANCING STATEMENTS.

The following provisions relating to this Deed of Trust as a security agreement 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 at o

**Security Interest:** Upon request by

perfection and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property of Trust as a financing statement, Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon

default, Grantor shall assemble the property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

**Addressed:** The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Deed of Trust may be obtained (except as required by the Uniform Commercial Code), are as stated on the first page of this Deed of Trust.

#### FURTHER ASSURANCES; 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, either 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 or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such offices and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve: (a) the obligations of Grantor under the Note, this Deed of Trust, and the Related Documents, and (b) the liens and security interests created by this Deed of Trust on the property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to by Lender in writing, 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 do 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.

#### PARTIAL RELEASES.

Lender shall execute partial releases of the lien of this Deed of Trust upon the following conditions:

**FULL PAYMENT.** If Grantor pays the indebtedness when due, terminates the line of credit, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Grantor a request for full reconveyance and shall execute and deliver to Grantor suitable statements of Personal Property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

#### DEFAULT.

Either 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 Grantor to make any payment when due on the Indebtedness.

**Default on Other Payments.** Failure of

Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent loss of or to effect discharge of any liens.

**Default in Favor of Third Parties.** Should Borrower or any Creditor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to pay the Loans or perform their respective obligations under this Deed of Trust or any of the Related Documents.

**Compliance Default.** Failure of Grantor 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.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor 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.

**Death or Incompetency.** The death of Grantor or the dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor'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 laws by or against Grantor.

**Foreclosure, Foreclosure, etc.** Commencement of foreclosure or procedure 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 foreclosure 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 within any grace period provided therein, including without limitation any agreement concerning any Indebtedness or other obligation of Grantor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or, or becomes incompetent, or revokes his or her estate or assumes or conditionally the obligations arising under this Deed of Trust in a manner satisfactory to Lender; and, in doing so, cure the Event of Default.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith deems the security.

**Default in Debtors.** A default shall occur under any existing indebtedness or under any instrument on the Property securing any Existing

or other action to foreclose any existing lien on the Property.

Not less than ninety (90) days prior to the date of the occurrence of any of the preceding twelve (12) months, if the demand and notice period is less than fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately thereafter continues and completes all reasonable and necessary steps sufficient to produce

such cure. In the event of any default of its own choice, and Grantor will deliver or cause to be delivered to Lender, the first to term such participation.

**Interest in Land.** All the land. The following provisions relating to governmental taxes, fees

and charges are a part of this Deed of Trust.

**Upon request:** Lender, Grantor shall execute such documents in addition to this Deed of Trust and file and record Lender's lien on the Real Property. Grantor shall reimburse Lender for all expenses in recording, perfecting or continuing this Deed of Trust, including without limitation and other charges for recording or registering this Deed of Trust.

**Taxes:** The following shall constitute of the Indebtedness secured by this on the Indebtedness secured by this the Note; and (d) a specific tax on a

**Subsequent Taxes:** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default (as defined below); unless Grantor either (i) pays the tax before it becomes delinquent, or (ii) contests the tax as provided above in the Taxes and Liens section and deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement 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 at o

**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 Rents and Personal Property. In addition to recording this Deed of Trust in the real property of Trust as a financing statement, Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon

default, Grantor shall assemble the property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

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**Attorney-In-Fact:** If Grantor fails to do 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.

**PARTIAL RELEASES.** Lender shall execute partial releases of the lien of this Deed of Trust upon the following conditions:

**FULL PAYMENT.** If Grantor pays the indebtedness when due, terminates the line of credit, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Grantor a request for full reconveyance and shall execute and deliver to Grantor suitable statements of Personal Property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

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**Compliance Default.** Failure of Grantor 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.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor 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.

**Death or Incompetency.** The death of Grantor or the dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor'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 laws by or against Grantor.

**Foreclosure, Foreclosure, etc.** Commencement of foreclosure or procedure 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 foreclosure 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 within any grace period provided therein, including without limitation any agreement concerning any Indebtedness or other obligation of Grantor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or, or becomes incompetent, or revokes his or her estate or assumes or conditionally the obligations arising under this Deed of Trust in a manner satisfactory to Lender; and, in doing so, cure the Event of Default.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith deems the security.

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or other action to foreclose any existing lien on the Property.

Not less than ninety (90) days prior to the date of the occurrence of any of the preceding twelve (12) months, if the demand and notice period is less than fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately thereafter continues and completes all reasonable and necessary steps sufficient to produce

**FIGHTS AND REMEDIES ON THE REAL PROPERTY**

exercise any one or more of the following:

**Accelerate Indebtedness.** Lender may declare all amounts payable, including any prepayments,

**Foreclosure.** With respect to all or any part of the Real Property, Lender has the right to foreclose by judicial process if the Grantor fails to pay the amount due under the Note or if the Note is reclosed by judgment or decree of a court of competent jurisdiction, even if the amount due is less than the amount of the Note.

**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 Rents.** Lender shall have the right, without notice to Grantor, to take possession of and manage the Real Property and collect the Rents, including amounts past due and unpaid, and apply the 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 Real Property to make payments of rent or use fees directly to Lender. If the Rents are deposited in a trust account, Lender may be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue against the trust account.

**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 operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, if any, to the Indebtedness. The receiver may serve without bond if permitted by law. The receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender of a receiver shall not disqualify a person from serving as a receiver.

**Tenancy at Sufferance.** If Grantor becomes entitled to possession of the Real Property and shall, at Lender's direction, remain in possession of the Real Property, Lender shall have the right to the appointment of a receiver.

**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 written notice of the time and place of any public sale of the Personal Property or of the time after disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale.

**Sale of the Property.** To the extent exercising its rights and remedies, the Lender shall be entitled to sell the Real Property.

**Waiver; Election of Remedies.** A waiver of the party's rights otherwise to certain provided in this Deed of Trust, the election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, the failure of Grantor to perform shall not affect Lender's right to declare a default and to exercise any of its remedies.

**Attorneys' Fees; Expenses.** If Lender recovers such sum as the court may award, all reasonable expenses incurred by enforcement of its rights shall become an expenditure until repaid. Expenses include Lender's attorneys' fees, whether or not vacated by automatic stay or injunction, title reports (including foreclosure reports), court costs, in addition to all other sums provided by law.

**Right of Trustees.** Trustee shall have all of the rights and duties of Lender as set forth in this section.

**POWERS AND OBLIGATIONS OF TRUSTEE**

**Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat 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, and (c) join in any subordination or other agreement affecting this Deed of Trust or the interests of Lender under this Deed of Trust.

**Obligations to Notify.** Trustee shall not be obligated to notify any other party of a pending sale, bankruptcy, assignment, loan or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding brings about a change in the interest of Lender.

**Trustee.** Trustee shall meet all obligations required for Trustee under applicable law, in addition to the other obligations set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice as set forth in this Deed of Trust, or Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable 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 in the office of the recorder of Klamath County, Oregon. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page where 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 its successors in interest. The successor Trustee, without conveyance of the Property, shall succeed to all the title, power, and duties of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

**NOTICES TO GRANTOR AND OTHER PARTIES**

**Notices.** Any notice under this Deed of Trust shall be in writing, may be sent by facsimile (unless otherwise required by law), and shall be mailed, shall be deemed effective when delivered when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed in the United States mail first class, certified or registered mail, postage prepaid, directed to the Lender or Trustee. Any party may change its address for notices under this Deed of Trust by giving formal notice that the purpose of the notices is to change the party's address. All copies of notices of foreclosure from this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Lender and Trustee informed at all times of Grantor's current address.

**MISCELLANEOUS PROVISIONS**

The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust, together with any Addendum, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust, and no amendment or modification to this Deed of Trust shall be affected unless given in writing and signed by the party or parties sought to be affected.

**Annual Reports.** If the Property is a statement of net operating income required by the Note, "Net operating income" shall mean all income from the operation of the Property.

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

**Caption Headings.** Caption headings are provisions of this Deed of Trust.

**Merger.** There shall be no merger of the title held by or for the benefit of Lender.

**Survivability.** If a court of competent

power finds that any provision of this Deed of Trust is invalid or unenforceable as to any person or property, the Trustee or Lender, at its option, may, in addition to any other rights or remedies provided by law,

at its option without notice to Grantor, to declare the entire Indebtedness immediately due and payable, and Grantor would be required to pay.

**Property.** The Trustee shall have the right to foreclose by notice and sale, and Lender shall be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue against the amount of the unpaid balance of the judgment.

**Personal Property.** Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collect Rents.** Lender shall have the right, without notice to Grantor, to take possession of and manage the Real Property and collect the Rents, including amounts past due and unpaid, and apply the 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 Real Property to make payments of rent or use fees directly to Lender. If the Rents are deposited in a trust account, Lender may be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue against the amount of the unpaid balance of the judgment.

**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 operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, if any, to the Indebtedness. The receiver may serve without bond if permitted by law. The receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender of a receiver shall not disqualify a person from serving as a receiver.

**Tenancy at Sufferance.** If Grantor becomes entitled to possession of the Real Property after the Property is sold as provided above or Lender otherwise acquires possession of the Real Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Real Property, either (a) pay a reasonable rental for the use of the Property, or (b) vacate the Property immediately.

**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 disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale.

**Sale of the Property.** To the extent exercising its rights and remedies, the Lender shall be entitled to sell the Real Property.

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**Trustee.** Trustee shall meet all obligations required for Trustee under applicable law, in addition to the other obligations set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice as set forth in this Deed of Trust, or Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable 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 in the office of the recorder of Klamath County, Oregon. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page where 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 its successors in interest. The successor Trustee, without conveyance of the Property, shall succeed to all the title, power, and duties of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

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**Caption Headings.** Caption headings are provisions of this Deed of Trust.

**Merger.** There shall be no merger of the title held by or for the benefit of Lender.

**Survivability.** If a court of competent

circumstances, such finding shall not affect any provision that is described so qualified, it shall be stricken and

**Successors and Assigns.** Subject binding upon Lender to the benefit that Lender, Lender, without notice of forbearance or extension in writing,

**Time is of the Essence.** Time is of

**Waivers and Consents.** Lender's unless such waiver is in writing and of such right or any other right. A written agreement to amend a condition between Lender and Grantor, shall whenever consent by Lender is required, constitute consent to subsequent in-

**COMMERCIAL NATURE OF TRUST.** Grant the use of the Property without Lender's

**EACH GRANTOR ACKNOWLEDGES HIS TERMS.**

**GRANTOR:**

*Beth E. Deaver*

**STATE OF:**

*Oregon*

**COUNTY OF:**

*Klamath Falls*

On this day before me, the undersigned, a Notary Public, personally appeared Beth E. Deaver, to me known to be his individual described in and who

said that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and

purposes distinctly mentioned.

Given under my hand and official seal

By *Notary Public*

Notary Public in and for the State of

Oregon

At the city of Klamath Falls, Oregon

Date: *1999*

Notary Public Seal

Notary Public Seal