

SECTION 3.15. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS GRANTED BY THIS TRUST DEED SHALL BE GOVERNED BY THE LAWS OF THE STATE OF OREGON AND IN ALL OTHER RESPECTS THIS TRUST DEED SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPALS.

SECTION 3.16. Grantor shall pay to Beneficiary the maximum amount as may from time to time be permitted by law for furnishing in connection with the Obligations, each statement pursuant to any statute at the time then in force. Grantor shall pay Trustee's and Beneficiary's fees, charges and expenses for any other statement, information or services furnished by Trustee or Beneficiary in connection with the Obligations. Said services may include, but shall not be limited to, the processing by Trustee or Beneficiary of assumption, substitutions, modifications, extensions, renewals, subordinations, rescissions, changes of owner, recordation of map, plat or record of survey, grants of easements, and full and partial releases, and the obtaining by Beneficiary of any policies of insurance pursuant to any of the provisions contained in this Trust Deed.

SECTION 3.17. It is the intention of Grantor and Beneficiary to conform strictly to state and federal usury laws applicable to the payment of the Obligations and permitting the highest rate of interest. Accordingly, it is agreed that notwithstanding any provisions to the contrary in this instrument or in any of the instruments representing part or all of the Obligations or otherwise relating hereto, the aggregate of all interest and any other charges constituting interest under applicable law contracted for, chargeable or receivable under the Obligations or otherwise in connection herewith, shall under no circumstances exceed the maximum amount of interest permitted by law. If any excess of interest in such respect is provided for in this instrument or in any of the installments representing part or all of the Obligations or otherwise relating hereto, then in such event (a) the provisions of this paragraph shall govern and control, (b) neither Grantor nor Grantor's heirs, legal representatives, successors or assigns or any other party liable for the payment of the Obligations shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum permitted by law, (c) any excess shall be deemed a mistake and cancelled automatically and if theretofore paid, shall, at the option of the holder of the Obligations be refunded to Grantor or credited on the principal amount of the Obligations, and (d) the effective rate of interest shall be automatically subject to reduction to the maximum lawful contract rate allowed under such laws as now or hereafter exist as the same may now or hereafter be construed by courts of appropriate jurisdiction.

SECTION 3.18. 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 FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

SECTION 3.19. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY BENEFICIARY AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY BENEFICIARY TO BE ENFORCEABLE.

SECTION 3.20. Simultaneously with, and in addition to, the execution of this Trust Deed, Grantor, and/or related or affiliated entities of Grantor, has executed and delivered as security for the Note and Loan Agreement a mortgage, trust deed, or deed of trust on parcels of property which may or may not be outside the boundaries of this county. Grantor agrees that the occurrence of an Event of Default hereunder, or under any of such other mortgages or deeds of trust, shall be an Event of Default under each and every one of such mortgages and deeds of trust, including this Trust Deed, permitting Beneficiary to proceed against any or all of the property comprising the Mortgaged Property or against any other security for the Guaranty, the Note and the Loan Agreement in such order as Beneficiary, in its sole and absolute discretion may determine. Grantor hereby waives, to the extent permitted by applicable law, the benefit of any statute or decision relating to the marshalling of assets which is contrary to the foregoing. Beneficiary shall not be compelled to release or be prevented from foreclosing this instrument or any other instrument securing the Guaranty, the Note and/or the Loan Agreement unless all indebtedness evidenced by the Note and/or the Loan Agreement and all items hereby secured shall have been paid in full and Beneficiary shall not be required to accept any part or parts of any property securing the Note and the Loan Agreement, as distinguished from the entire whole thereof, as payment of or upon the Note and/or the Loan Agreement to the extent of the value of such part or parts, and shall not be compelled to accept or allow any apportionment of the indebtedness evidenced by the Note and/or the Loan Agreement to or among any separate parts of said property.

IN WITNESS WHEREOF, Grantor has caused this Trust Deed to be executed as of the day and year first above written.

"GRANTOR"

Daryl J. Kollman  
DARYL J. KOLLMAN

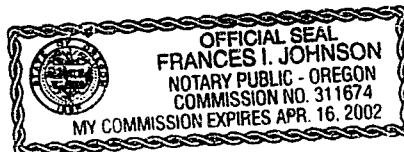
Marta C. Kollman  
MARTA C. KOLLMAN

STATE OF OREGON

COUNTY OF

Klamath

)  
) ss.  
)



31754

This instrument was acknowledged before me on June 21, 1999, by  
Daryl J. Kollman

Frances I. Johnson  
Notary Public for Oregon  
My commission expires 4/16/2002

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

)  
) ss.  
)

This instrument was acknowledged before me on JUNE 23, 1999, by  
MARTA C. KOLLMAN



Victoria Jirikow  
Notary Public for California  
My commission expires SEPT. 26, 2002

EXHIBIT A

SAID LAND IS SITUATED IN THE COUNTY OF KLAMATH FALLS, STATE OF OREGON,  
AND IS DESCRIBED AS FOLLOWS:

## PARCEL 1

The NW 1/4 of the SW 1/4 of Section 17, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon. EXCEPTING THEREFROM that portion lying within TRACT 1174, COLLEGE INDUSTRIAL PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

ALSO SAVING AND EXCEPTING that portion lying within the Uhrmann Road, Northern Heights Boulevard and Century Drive right of ways.

## PARCEL 2

That portion of the SW 1/4 SW 1/4 of Section 17, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, lying Northwesterly of Northern Heights Boulevard.

State of Oregon, County of Klamath  
Recorded 8/06/99, at 11:23 A.M.  
In Vol. M99 Page 31727  
Linda Smith,  
County Clerk      Fee \$ 15500