RECORDATION REQUESTED BY:

Bank of the Cascades 1100 NW WALL ST PO BOX 369 BEND, OR 97709

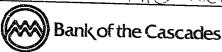
WHEN RECORDED MAIL TO:

Bank of the Cascades 1100 NW WALL ST PO BOX 369 BEND, OR 97709 Vol M99 Page 31828

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MTC 48563

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



LINE OF CREDIT INSTRUMENT

LINE OF CREDIT DEED OF TRUST. (a) This Deed of Trust is a LINE OF CREDIT INSTRUMENT. (b) The maximum principal amount to be advanced pursuant to the Note is \$155,305.00. (c) The term of the Note commences on the date of this Deed of Trust and ends on July 13, 2000. (d) The maximum principal amount to be advanced pursuant to the Note may be exceeded by advances necessary to complete construction of previously agreed upon improvements on the Real Property.

THIS DEED OF TRUST IS DATED JULY 13, 1999, among CHARLIE VIGUE and JUDY A VIGUE, AS TENANTS BY THE ENTIRETY, whose address is , , OR (referred to below as "Grantor"); Bank of the Cascades, whose address is 1100 NW WALL ST, PO BOX 369, BEND, OR 97709 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and AMERITITLE, whose address is PO BOX 752, BEND OR 97709 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in KLAMATH County, State of Oregon (the "Real Property"):

A TRACT OF LAND SITUATED IN THE NW1/4 SE1/4 OF SECTION 27, TOWNSHIP 23 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NW1/4 SW1/4; THENCE NORTH 69 DEGREES 55'42" EAST 34.69 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED; THENCE CONTINUING NORTH 89 DEGREES 55'42" EAST, 324.30 FEET; THENCE SOUTH 671.77 FEET; THENCE WEST 324.30 FEET; THENCE NORTH 671.36 FEET TO THE POINT OF BEGINNING

The Real Property or its address is commonly known as 8853 SPLIT RAIL RD, LAPINE, OR 97739. The Real Property lax identification number is 2310–02700–00800.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and luture leases of the Property and all Rents from the Property. In addition, Grantor grants Lender a Uniform Commercial Code security interest in the Rents and the Personal Property defined below.

DEFINITIONS. The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Beneficiary. The word "Beneficiary" means Bank of the Cascades, its successors and assigns. Bank of the Cascades also is referred to as "Lender" in this Deed of Trust.

Borrower. The word "Borrower" means each and every person or entity signing the Note, including without limitation FRANK H BAKER and KATHLEEN A BAKER.

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Deed of Trust. The words "Deed of Trust" mean this Line of Credit instrument among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.