

After Recording Return To:  
Farm Credit Services  
PO Box 148  
Klamath Falls, OR 97601

Customer/Note No. 1179-145 and -146  
Branch Klamath Falls

MTC 49197  
**Line of Credit Deed of Trust  
and  
Fixture Filing**

(Open End)

On October 18, 1999, **David Cacka and Monica Cacka, husband and wife**; hereinafter called Grantors, whose address is **PO Box 125, Malin, Oregon, 97632**, grant, convey, warrant, transfer and assign to **AmeriTitle**, a corporation, hereinafter called Trustee, whose address is **222 South Sixth Street, Klamath Falls, Oregon, 97601**, in trust with power of sale for the benefit of **Northwest Farm Credit Services, ACA**, a corporation organized under the Farm Credit Act of 1971, as amended, hereinafter called Beneficiary, whose address is 1700 S. Assembly Street, PO Box 2515, Spokane, Washington 99220-2515, property in **Klamath County(ies), State of Oregon**, more particularly described in Exhibit "A," attached hereto and incorporated herein, including all rents, issues, profits, buildings and improvements thereon and in all tenements, hereditaments, rights, privileges, easements, rights of way and appurtenances (including without limitation private roads, grazing privileges, water rights, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating, and irrigating apparatus and other equipment and fixtures, now or hereafter belonging to or used in connection therewith), all of which shall hereinafter be called "Property."

The following described note(s), Membership Agreement, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments thereto are collectively called the "Loan Documents." "Advances" shall include any amounts provided Grantors under the terms of the Loan Documents and any amounts expended by Beneficiary to protect the Property or enforce its rights under the Loan Documents. This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any of the Loan Documents, and payment of indebtedness under the terms of the note(s) made by Grantors to the order of Beneficiary, with interest and advances as provided therein and in the Loan Documents, and any extensions, modifications or renewals thereof:

DATE OF NOTE	PRINCIPAL AMOUNT	FINAL INSTALLMENT DATE
March 3, 1998	\$616,700.00	January 1, 200
February 12, 1999	\$369,200.00	January 1, 2000

In addition, this deed of trust is intended to secure any other loans and advances made within five years from the date of this deed of trust by Beneficiary to Grantors or any of them, no matter how evidenced; provided however, the aggregate sum of all unpaid principal balances of all such loans and advances secured hereby shall not, at any one time, exceed \$550,000.00, exclusive of interest and amounts advanced to protect Beneficiary's interests hereunder and under the Loan Documents. The continuing validity and priority of this deed of trust for future loans and advances shall not be impaired by the fact that at certain times no outstanding indebtedness to Beneficiary nor commitment from Beneficiary to make future loans exist. The terms of the note(s) and Loan Documents described above provide that the interest rate, payment terms or amounts due may be indexed, adjusted, renewed or renegotiated.

**THIS DEED OF TRUST IS ALSO INTENDED TO BE A FIXTURE FILING.**

Grantors and each of them REPRESENT, WARRANT, COVENANT and AGREE:

1. That they have title to the Property free from encumbrances, except as described in Exhibit "A"; they have good right and lawful authority to convey and encumber the same; they will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever; and they agree this covenant shall not be extinguished by foreclosure or other transfers.
2. That this deed of trust also constitutes a Security Agreement granting Beneficiary a security interest in any and all personal property described in Exhibit "A."
3. To keep all buildings and other improvements, now or hereafter existing, in good repair; not to remove or demolish or permit the removal or demolition of any building or other

**LINE OF CREDIT DEED OF TRUST AND FIXTURE FILING (OPEN END) - 1**  
**CIF/NOTE NOS. 1179-1145 & -146**

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- improvement; to restore promptly in a good and workmanlike manner, any building or improvement, which may be damaged or destroyed; to maintain the Property in a good and husbandlike manner; not to change or permit change in the use of the Property; and not to do anything which would reduce the value of the Property.
4. To maintain casualty insurance, naming Beneficiary as loss payee, on all buildings and improvements, against loss or damage by fire and other risks; to maintain liability insurance; to pay all premiums and charges on all such insurance when due; and to provide Beneficiary satisfactory evidence of such insurance upon request. All such insurance shall be in such form(s), with such company(ies) and in such amount(s) as shall be satisfactory to Beneficiary.
  5. To pay all debts and money, secured hereby, when due; to pay, when due, all taxes, assessments, rents and other charges upon the Property and to suffer no other encumbrance, charge or lien on the Property, which would be superior to this deed of trust, except as stated above.
  6. To specifically assign and deliver to Beneficiary all rents, royalties, damages and payments of every kind, including without limitation insurance reimbursements and condemnation awards, at any time accruing, for any transfer, loss or seizure of the Property, any portion thereof or any rights therein; Beneficiary may, at its option, apply such amounts in any proportion to any of the indebtedness hereby secured; and application or release of such amounts shall not cure or waive any default or notice of default or invalidate any act done pursuant to such notice; and Beneficiary shall have the right to enter upon the Property to make full inspection of the Property.
  7. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property and its use, including without limitation all environmental laws; not to use or permit the use of the Property for any unlawful or objectionable purpose or for any purpose that poses an unreasonable risk of harm, or that impairs or may impair the value of the Property, or any art thereof; not to apply residue from wastewater treatment facilities to the Property without prior written notice to Beneficiary; to remedy any environmental contamination or violation of environmental laws that may occur or be discovered in the future; to allow Beneficiary access to the Property to inspect its condition and to test and monitor for compliance with applicable laws (any inspections or tests made by Beneficiary shall be for Beneficiary's purposes only and shall not be construed to create any responsibility or liability on the part of Beneficiary to Grantors or to any other person); to forward copies of any notices received from any environmental agencies to Beneficiary; to provide Beneficiary copies of any independent test or inspection reports on the environmental status of the property; and to indemnify and hold Beneficiary, its directors, employees, agents and its successors and assigns, harmless from and against any environmental claims of any kind, and all costs and expenses incurred in connection therewith, including, without limitation attorney's fees.
  8. That neither Grantors nor, to the best of Grantors' knowledge, any prior owner has created or permitted conditions on the Property, which may give rise to environmental liability; no enforcement actions are pending or threatened; no underground tanks are located on the Property except as already disclosed; any such underground tanks currently or previously located on the Property do not now and never have leaked and no contaminated soil is located on the Property; and Grantor's representations, warranties, covenants and indemnities herein and in the Loan Documents shall survive satisfaction of the note(s) and Loan Documents, foreclosure of this deed of trust, acceptance of a deed in lieu of foreclosure or any transfer or abandonment of the Property.
  9. To perform all terms and conditions of each water or other contract, described in Exhibit "A," if any, and to promptly pay all sums due or to become due under each contract so that no delinquency or default will occur under such contract(s); not to apply or enter into any federal, state or local program which limits or restricts the use of the Property, in any way without prior written consent of Beneficiary; to perform all acts necessary to perfect and maintain any water permit, certificate, license or other water interest, however designated, described in or used in conjunction with the real property described in Exhibit "A"; any assignment of any such interest, during the term of this deed of trust, naming Beneficiary as an assignee shall be for security purposes and shall not alter Grantors' obligations hereunder; and any failure of Grantors to perform any such obligation shall constitute an event of default.
  10. That in the event of default in any of the covenants or agreements herein, or in any of the Loan Documents, Beneficiary may, at its option perform the same, in whole or in part; any advances, attorney fees or costs paid or incurred by Beneficiary to protect or enforce its rights under the Loan Documents, in bankruptcy, appellate proceedings or otherwise, shall be payable on demand and shall become a part of the obligation secured by this deed of trust.

11. That the indebtedness and obligations secured by this deed of trust are personal to the Grantors and are not assignable by Grantors; Beneficiary relied upon the credit of Grantors, the interest of Grantors in the Property and the financial market conditions then existing when making this loan; if Grantors sell, transfer or convey or contract to sell, transfer or convey the Property, or any portion thereof, or if the ownership of any corporation or partnership, owning all or any portion of the Property shall be changed either by voluntary or involuntary sale or transfer or by operation of law, without prior written consent of Beneficiary, or if Grantors default in the payment of the indebtedness, or with respect to any warranty, covenant or agreement in the Loan Documents or if a receiver or trustee for any part of the Property is appointed, or if any proceeding under the bankruptcy or insolvency laws is commenced by or against Grantors, or if Grantors become insolvent, or if any action is commenced to foreclose or enforce a lien on any portion of the Property, then, Grantors shall be in default hereunder.
12. That time is of the essence and in the event of default, at Beneficiary's option, the entire indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate set forth in the Loan Documents for delinquent payments; Beneficiary shall have the right to foreclose the lien of this deed of trust or to direct Trustee, in writing, to foreclose this deed of trust by notice and sale, to have a receiver appointed in any court proceeding, to collect any rents, issues and profits from the Property and to deliver them to Beneficiary to be applied as provided above and to exercise any rights and remedies available under the Uniform Commercial Code for the state in which the Property is located; and reasonable notice if required by such Code shall be five (5) days.
13. That Beneficiary may from time to time, in writing and without further notice or consent, release any person from liability for payment of any of the indebtedness or extend the time or otherwise alter the terms of payment of any of the indebtedness; and Trustee may, with written consent of Beneficiary, at any time and from time to time, and without affecting the liability of any person:
  - a. Join in any subordination or other agreement affecting this deed of trust or lien or charge thereof.
  - b. Reconvey, without warranty, any or all of the Property.
14. That after all sums secured hereby have been paid, upon receipt of the deed of trust and note(s) and payment of its fees, Trustee shall reconvey without warranty the Property, as provided by law. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
15. That, in the event of foreclosure of this deed of trust by notice and sale, the power of sale shall be exercised by the Trustee according to and under the authority of the law pertaining to deeds of trust then in effect in the state in which the Property is situated; Trustee shall deliver to purchaser its deed, without warranty, containing recitals demonstrating compliance with the requirements of such law.
16. To surrender possession of such premises within the time period provided by law; in the event Beneficiary is purchaser of the Property and possession is not delivered, as provided by law, to pay Beneficiary the costs and the expenses, including reasonable attorney fees, incurred in any suit or action by Beneficiary to obtain possession of the premises.
17. That Trustee accepts this trust when this deed, duly executed and acknowledged, is recorded as provided by law; any Trustee lawfully appointed by Beneficiary as a substitute or successor Trustee shall succeed to all the powers and duties of the Trustee named herein; Trustee is not obligated to notify any party hereto of the pending sale under any other deed of trust or any action or proceeding in which Grantors, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by Trustee.
18. That as used herein, the term "deed of trust" shall be synonymous with the terms "trust indenture" and "trust deed"; the term "Grantors" shall be synonymous with the term "Trustors" as used in any of the laws of the state in which the Property is situated; the term "Beneficiary" shall mean the holder and owner of any note secured hereby, or if any note(s) has been pledged, the pledgee thereof.
19. That the failure of Beneficiary to exercise any right or option provided herein, at any time shall not preclude Beneficiary from exercising any of such rights at any other time; the covenants and agreements contained herein shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns; all rights conferred on Beneficiary or on Trustee are cumulative and additional to any rights conferred by law; and if any provision is found to be invalid or unenforceable, such invalidity or unenforceability shall

not affect any other provision hereof and the deed of trust shall be construed as though such provision had been omitted.

20. That Grantors and each of them join in this instrument for the purpose of subjecting each of their right, title and interest, if any, in the Property, whether of record or otherwise and including any right to possession, to the lien of this deed of trust.

21. That Grantors have executed the following Notes and Loan Agreements in favor of Beneficiary (the "Notes"):

- a. Loan No. 01179-145 dated March 3, 1998, and any amendments thereto; and
- b. Loan No. 01179-146 dated February 12, 1999, and any amendments thereto.

Beneficiary's interest in the Property, including all interest, advances or charges made or accruing under each of the Notes secured thereby shall be prioritized as follows: First priority under Loan No. 01179-145, and second priority under Loan No. 01179-146. Grantors agree a default under any of the above described loans shall be a default of all loans and Beneficiary may, at its option, declare the indebtedness secured hereby immediately due and payable.

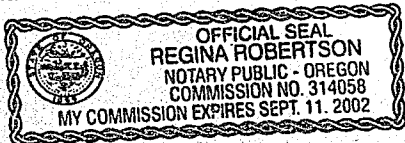
GRANTORS:

David Cacka  
David Cacka

Monica Cacka  
Monica Cacka

STATE OF OREGON )  
County of Klamath ) ss.

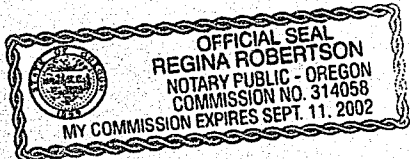
On this 18 day of October, 1999, before me personally appeared David Cacka, to me known, or proved to me to be the person described in and who executed the within instrument, and acknowledged that he executed the same as his/her free act and deed.



Regina Robertson  
Notary Public for the State of Oregon  
Residing at Klamath Falls  
My commission expires 9-11-2002

STATE OF OREGON )  
County of Klamath ) ss.

On this 18th day of October, 1999, before me personally appeared Monica Cacka, to me known, or proved to me to be the person described in and who executed the within instrument, and acknowledged that she executed the same as his/her free act and deed.



Regina Robertson  
Notary Public for the State of Oregon  
Residing at Klamath Falls  
My commission expires 9-11-2002

Beneficiary acknowledges that this deed of trust is subject to a security interest in favor of the AgAmerica, FCB (Bank), and by its acceptance hereof and pursuant to and in confirmation of certain agreements and assignments by and between Beneficiary and Bank, does assign, transfer, and set over the same unto Bank, its successors and assigns, to secure all obligations of Beneficiary to Bank, provided that pursuant to such agreements and assignments Beneficiary has authority to perform all loan servicing and collection actions and activities hereunder, including without limitation thereto, releasing in whole or in part and foreclosing judicially or otherwise this deed of trust until the Bank, by instrument recorded in the office in which this deed of trust is recorded, revokes such authority; provided, however, if Bank is the Beneficiary in this transaction, this paragraph is without effect.

Cacka home deed of trust.doc [loan servicing]

## EXHIBIT "A"

A portion of the SW1/4NW1/4 Section 15, Township 41 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning 30 feet South and 28.4 feet East of the Northwest corner of SW1/4NW1/4 Section 15; running thence South 89° 46' East 466.8 feet; thence South 0° 14' West 170 feet to the true point of beginning; thence South 89° 46' East 244.8 feet; thence South 0° 14' West 120.5 feet; thence North 89° 46' West 244.8 feet; thence North 0° 14' East 120.5 feet to the point of beginning.

TOGETHER WITH an easement for existing water line over the Southerly 10 feet of the following described property:

A tract of land situated in the SW1/4 of NW1/4 of Section 15, Township 41 South, Range 12 East of the Willamette Meridian, more particularly described as follows: Beginning at a point that is 30 feet South and 28.4 feet East of the Northwest corner of the SW1/4 of NW1/4 of Section 15, Township 41 South, Range 12 East of the Willamette Meridian; thence South 89° 46' East 466.8 feet; thence South 0° 14' West 290.5 feet more or less; thence North 89° 46' West a distance of 305.2 feet to the Easterly right of way line of the Malin Irrigation District low line Canal; thence North 28° 16' West to the point of beginning, in the County of Klamath, State of Oregon.

State of Oregon, County of Klamath  
 Recorded 10/22/99, at 2:32 p.m.  
 In Vol. M99 Page 42369  
 Linda Smith,  
 County Clerk Fee \$ 40<sup>00</sup>