

DEED OF TRUST
(Klamath Falls Property)

State of Oregon, County of Klamath
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Linda Smith, County Clerk
Fee \$ 131.00 # of Pgs 23

This deed of trust (the "Deed of Trust") is executed June 1st, 2001, among ALBINA FUEL COMPANY ("Albina"), whose address is 3246 N.E. Broadway Street, Portland, Oregon 97232; U.S. Bank Trust Company, National Association ("Trustee"), whose address is 111 S.W. Fifth Avenue (PL-7), Portland, Oregon 97204; and U.S. Bank National Association ("U.S. Bank"), whose address is 111 S.W. Fifth Avenue (T-8), Portland, Oregon 97204.

W I T N E S S E T H :

That Albina does hereby irrevocably GRANT, BARGAIN, SELL, and CONVEY TO TRUSTEE IN TRUST, WITH POWER OF SALE, all right, title, and interest of Albina (fee title, leasehold title, or otherwise) in that property in the County of Klamath, State of Oregon, described in Exhibit A attached hereto and by this reference incorporated herein, together with any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements, which are herein collectively called the "Property";

Together with all of Albina's right, title, and interest in that certain lease dated May 21, 1979, between Witco Chemical Corporation and GLAMRR Properties (as amended by, among other things, a letter agreement dated April 20, 1995) by virtue of an assignment of the lessee's interest in such lease to Albina effected by that certain Lease Assignment and Assumption Agreement recorded April 19, 1999, in Volume M99, at Page 14119, of the records of Klamath County, Oregon (the "Ground Lease");

Together with all interests, estate, or other claims, both in law and in equity, that Albina now has or may hereafter acquire in the Property;

Together with all easements, rights-of-way and rights used in connection therewith or as a means of access to the Property, and all tenements, hereditaments, and appurtenances of and to the Property, and all water rights and shares of stock evidencing the same;

Together with all right, title, and interest of Albina, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property; and any and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Property;

When Recorded, Mail To:

U.S. Bank National Association
Suite 810
111 S.W. Fifth Avenue
Portland, Oregon 97204
Attention: Mr. Louis G. Henry

Together with all right, title, and interest of Albina in and to all tangible personal property (the "Personal Property") now or hereafter owned by Albina and now or at any time hereafter located on or at the Property or used in connection therewith, including, but not limited to, all goods, machinery, tools, insurance proceeds, equipment (including fire sprinklers and alarm systems, office air conditioning, heating, refrigerating, electronic monitoring, window or structural cleaning rigs, maintenance equipment, tanks, pumps, motors, and all other equipment of every kind), lobby and all other indoor and outdoor furniture, rugs, carpets, and other floor coverings, all inventory related to the operation of the Property and any business operated thereon by Albina, draperies, drapery rods and brackets, awnings, window shades, venetian blinds, curtains, lamps, chandeliers and other lighting fixtures, and office maintenance and other supplies and all proceeds thereof;

Together With all right, title, and interest of Albina in the funds deposited pursuant to Section 1.6 of this Deed of Trust;

Together with all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, that Albina now has or may hereafter acquire in the Property, and any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of the Property, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

Together with any and all existing and future leases (including subleases thereof), whether written or oral, rental agreements and all future agreements for use and occupancy, and any and all extensions, renewals, and replacements thereof, upon all or relating to any part of the Property (hereinafter collectively referred to as the "Leases");

Together with any and all guaranties of tenant's performance under any and all of the Leases;

Together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits and other income of any nature now due or which may become due or to which Albina may now or shall hereafter (including any income of any nature coming due during any redemption period) become entitled to or may make demand or claim for, arising or issuing from or out of the Leases or from or out of the Property or any part thereof, including but not limited to, minimum rents, additional rents, percentage rents, parking or common area maintenance contributions, tax and insurance contributions, deficiency rents and liquidated damages following default in any Lease, all accounts receivable, instruments, and general intangibles related to the operation of the Property and any business operated thereon by Albina and all proceeds thereof, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Property, together with any and all rights and claims of any kind which Albina may have against any tenant under the Leases or any subtenants or occupants of the Property (all such monies, rights and claims described in this paragraph being hereinafter called "Cash Collateral"), excepting therefrom any sums that by the express provisions of any of the Leases are payable directly to any governmental authority or to any other person, firm, or corporation other than the landlord under the Leases;

Together with all additions, accessions, replacements, substitutions, proceeds and products of the property described herein.

Subject, however, to a license hereby granted by U.S. Bank to Albina, but limited as hereinafter provided, to collect and receive all of the Cash Collateral.

The entire estate, property, and interest hereby conveyed to Trustee may hereafter be referred to as the "Trust Estate."

FOR THE PURPOSE OF SECURING:

1. Payment of a promissory note of even date herewith in the original principal amount of \$16,000,000 and a promissory note of even date herewith in the original principal amount of \$5,739,457.30 (collectively, the "Notes") executed by Albina, which have been delivered to, and are payable to, the order of U.S. Bank and which, by this reference, are made a part hereof, and any and all modifications, amendments, extensions, and renewals thereof. The interest rate, payment terms, or the balance due on the Notes and the indebtedness evidenced thereby may be indexed, adjusted, renewed, or renegotiated without affecting the priority of this Deed of Trust.
2. Payment of all sums that may become due (a) from Albina, including without limitation, Albina's liability for waste on the Property or for wrongful retention of any Cash Collateral, insurance proceeds, or condemnation awards or (b) for advances by U.S. Bank or its successor; in each case, with interest thereon at the rate set forth herein, which include but are not limited to, fire and other hazard insurance and taxes upon the real property herein described, according to the terms of this Deed of Trust; payment by Albina of all attorney fees and costs, including without limitation, the cost of any appraisal of the Property incurred by Trustee or U.S. Bank in foreclosing this Deed of Trust or realizing upon any of the collateral for the obligations that this Deed of Trust secures; payment by Albina of all attorney fees and costs incurred by Trustee or U.S. Bank in defending the priority or validity of this Deed of Trust or Albina's interest in and title to the Property; payment by Albina of all sums advanced by U.S. Bank to or on behalf of Albina for the purpose of clearing encumbrances or defects from the title to the Property described in this Deed of Trust where U.S. Bank, in good faith, believes such encumbrances to be superior to the lien of the Deed of Trust, including, without limitation, payment of ad valorem taxes and mechanics' or materialmen's liens that may have gained priority over the lien of this Deed of Trust; payment by Albina of all attorney fees and costs incurred by Trustee or U.S. Bank in any bankruptcy proceedings or any reorganization or arrangement proceeding under the United States Bankruptcy Code affecting Albina or this Deed of Trust; and payment of all other sums advanced by U.S. Bank to protect the Trust Estate, with interest thereon at the rate set forth herein.
3. Payment of all other sums, with interest thereon, that may hereafter be loaned to Albina, its successors, or assigns by U.S. Bank, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.
4. Payment of all of the obligations of Albina under the Credit Agreement of even date herewith between Albina and U.S. Bank related to the loans evidenced by the Notes

(together with all modifications, amendments, supplements, and exhibits thereto, the "Credit Agreement").

5. Payment of all amounts owed by Albina to U.S. Bank National Association, N.D., in respect of credit cards issued to Albina and the agreement (or agreements) governing the use of such credit cards.

6. Notwithstanding anything to the contrary in this Deed of Trust or any of the other Loan Documents (as that term is defined below), Albina's obligation to indemnify and hold U.S. Bank harmless in accordance with the terms of that certain certificate and indemnity regarding hazardous substances or that certain certificate of compliance and indemnification agreement, both of even date herewith, shall not be secured by the Trust Estate.

This Deed of Trust, the Notes, the Credit Agreement, and any other documents given to evidence or further secure the payment and performance of any obligation secured hereby may hereafter be referred to as the "Loan Documents."

ARTICLE I

COVENANTS AND AGREEMENTS OF ALBINA

Albina hereby covenants and agrees:

1.1 Maintenance of the Property. The Property shall be maintained in good condition at all times. Albina promptly shall make all necessary repairs, replacements, and renewals so that the value of the Property shall be maintained. Albina shall not commit or permit any waste on the Property, including without limitation, any act or failure to act that impairs the value of the Trust Estate. Albina shall comply with all laws, ordinances, regulations, and private restrictions affecting the Property. To the extent that the Property constitutes commercial property, Albina shall operate the Property in such a manner as to prevent deterioration of the land and improvements, except for reasonable wear and tear from proper use. Albina shall not demolish or remove any improvements from the Property without the written consent of U.S. Bank.

1.2 Required Insurance. Albina shall at all times provide, maintain, and keep in force, or cause to be provided, maintained, and kept in force, the following policies of insurance:

(a) Insurance against loss or damage to the building and improvements situated on the Property (the "Improvements") by fire and any of the risks covered by insurance of the type now known as "broad form of extended coverage," in an amount not less than the greater of (i) 100 percent of the full replacement cost of the Improvements (exclusive of the cost of excavations, foundations, and footings below the lowest basement floor), or (ii) an amount sufficient to prevent Albina and/or U.S. Bank from becoming a co-insurer within the terms of the applicable policies; and with not more than \$25,000 deductible from the loss payable for any casualty. The policies of insurance carried in accordance with this subparagraph (a) shall contain the "Replacement Cost Endorsement";

(b) Insurance against loss or damage to the Personal Property by fire and other risks covered by insurance of the type now known as "broad form of extended coverage";

(c) Such other insurance and in such amounts as may, from time to time, be required by U.S. Bank against the same or other hazards, including, without limitation, business interruption insurance or insurance covering loss of rents and flood insurance where applicable; and

(d) All policies of insurance required by the terms of this Deed of Trust shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Albina that otherwise might result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim, or deductions against Albina (Non-Contributory Standard Mortgage Clause and Lender's Loss Payable Endorsement - Form 438 BFU NS or CP 12- or their equivalent).

1.3 Delivery of Policies; Payment of Premiums and Proceeds.

(a) All policies of insurance required to be maintained by Albina pursuant to this Deed of Trust shall be issued by companies and in amounts in each company satisfactory to U.S. Bank. All such policies of insurance shall have attached thereto a lender's loss payable endorsement for the benefit of U.S. Bank in form satisfactory to U.S. Bank. Albina shall furnish U.S. Bank with an original policy of all policies of required insurance. If U.S. Bank consents to Albina providing any of the required insurance through blanket policies carried by Albina and covering more than one location, then Albina shall furnish U.S. Bank with a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number, and the expiration date.

(b) At least 30 days prior to the expiration of each such policy, Albina shall furnish U.S. Bank with evidence satisfactory to U.S. Bank of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Deed of Trust. All such policies shall contain a provision that such policies will not be canceled or materially amended (which term shall include any reduction in the scope or limits of coverage) without at least 30 days' prior written notice to U.S. Bank. In the event Albina fails to provide, maintain, keep in force, or deliver and furnish to U.S. Bank the policies of insurance required by this section, U.S. Bank may procure such insurance or single-interest insurance for such risks covering U.S. Bank's interest, and Albina will pay all premiums thereon promptly upon demand by U.S. Bank and, until such payment is made by Albina, the amount of all such premiums shall be secured by this Deed of Trust.

(c) In the event of loss, Albina immediately shall notify U.S. Bank, who may make proof of loss if it is not made promptly by Albina. Proceeds shall be paid directly to U.S. Bank. U.S. Bank may compromise with any insurance company and make a final settlement that shall be binding upon Albina. U.S. Bank may, at its election, apply the proceeds to the reduction of the indebtedness secured hereby or to the restoration or repair of the Property.

1.4 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title, and interest of Albina in and to all policies of insurance required by Section 1.2 of this Deed of Trust shall inure to the benefit of and pass to the successor in interest to Albina or the purchaser or grantee of the Trust Estate.

1.5 Indemnification; Subrogation; Waiver of Offset.

(a) If U.S. Bank is made a party defendant to any litigation concerning this Deed of Trust or the Trust Estate or any part thereof or interest therein, or the occupancy thereof by Albina, then Albina shall indemnify, defend, and hold U.S. Bank harmless from all liability, loss, cost, or damage by reason of said litigation, including reasonable attorney fees and expenses incurred by U.S. Bank in any such litigation, whether or not any such litigation is prosecuted to judgment.

(b) Albina waives any and all right to claim or recover against U.S. Bank, its officers, employees, agents, and representatives, for loss of or damage to Albina, the Trust Estate, Albina's property, or the property of others under Albina's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

(c) All sums payable by Albina hereunder shall be paid without notice, demand, counterclaim, setoff, deduction, or defense and without abatement, suspension, deferment, diminution, or reduction; and the obligations and liabilities of Albina hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to U.S. Bank, or any action taken with respect to this Deed of Trust by any trustee or receiver of U.S. Bank, or by any court, in any such proceeding; (v) any claim that Albina has or might have against U.S. Bank; (vi) any default or failure on the part of U.S. Bank to perform or comply with any of the terms hereof or of any other agreement with Albina; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing and whether or not Albina shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Albina waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution, or reduction of any sum secured hereby and payable by Albina.

1.6 Taxes and Liens. Albina shall pay before they become delinquent all taxes and assessments levied against or on account of the Trust Estate and shall pay as due all claims for work done on or for services rendered or material furnished to the Property. Special assessments shall be paid currently, without deferral, unless the lien for deferred assessments is subordinate to the interest of U.S. Bank under this Deed of Trust, or U.S. Bank gives its prior written consent to the deferral. Albina shall maintain the Trust Estate free of any liens having

priority over or equal to the interest of U.S. Bank under this Deed of Trust except for "Permitted Encumbrances" as defined in Section 1.10 of this Deed of Trust, the lien of taxes and assessments not delinquent, and except as hereinafter otherwise provided. Albina may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as U.S. Bank's interest in the Trust Estate is not jeopardized. If a lien arises or is filed as a result of nonpayment, Albina shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Albina has notice of the filing, secure the discharge of the lien or deposit with U.S. Bank cash or a sufficient corporate surety bond or other security satisfactory to U.S. Bank in an amount sufficient to discharge the lien plus any costs, attorney fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. The assessor or tax collector of the county in which the Property is located is authorized to deliver to U.S. Bank a written statement of the property taxes assessed or owing at any time.

1.7 Reserves. If Albina and U.S. Bank do not otherwise expressly agree in writing, U.S. Bank may require Albina to maintain reserves for payment of taxes (including special assessments and other charges against the Trust Estate by governmental or quasi-governmental bodies) or premiums on property insurance or both. The reserves shall be created by payment each month to U.S. Bank of an amount determined by U.S. Bank to be sufficient to produce by the date they are due amounts equal to the estimated taxes and insurance premiums to be paid. If at the time that payments are to be made the reserve for either taxes or insurance premiums is insufficient, Albina shall upon demand pay such additional sum as U.S. Bank reasonably shall determine to be necessary to cover the required payment. If Albina desires to carry a package plan of insurance that includes coverage in addition to that required under this Deed of Trust, U.S. Bank, if allowed by law, may at its option establish and administer a reserve for that purpose. In such event the premium attributable to the required insurance coverage shall be quoted separately, and U.S. Bank may permit Albina to furnish a certificate of insurance rather than deposit the policy as required above. If at any time U.S. Bank holds an insufficient amount in the insurance reserve to cover the premium for the entire package policy, U.S. Bank may, at its discretion, pay only that portion of the premium attributable to the required insurance coverage. If the blanket policy does not permit such partial payment, U.S. Bank may use the reserve funds for the premium on a new, separate policy providing the required insurance coverage and allow the package policy to lapse. U.S. Bank shall not charge a service charge for collecting reserves and paying taxes and insurance premiums. The reserves shall not constitute a trust. Albina agrees that U.S. Bank may commingle reserve funds with other funds of U.S. Bank and need not invest them for the benefit of Albina. Albina agrees that U.S. Bank need not pay Albina interest on reserves, unless applicable statutes require payment of interest notwithstanding any contrary agreement.

1.8 Expenditures by U.S. Bank. If Albina shall fail to comply with any provision of this Deed of Trust, U.S. Bank may, at its option, on Albina's behalf take the required action and any amount that it expends in so doing shall be added to the indebtedness secured hereby. Amounts so added shall be payable on demand with interest at the rate specified in the Notes, or if more than one interest rate is applicable, at the highest rate applicable to any portion of the principal balance of the Notes (the "Note Rate") from the date of expenditure. The rights provided for in this section shall be in addition to any other rights or any remedies to which U.S. Bank may be entitled on account of the default, and U.S. Bank shall not by taking the required action cure the default so as to bar it from any remedy that it otherwise would have had.

1.9 Utilities. Albina shall pay or cause to be paid when due all utility charges that are incurred by Albina for the benefit of the Trust Estate or that may become a charge or lien against the Trust Estate for gas, electricity, water, or sewer services furnished to the Trust Estate and all other assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such assessments or charges are liens thereon.

1.10 Warranty; Defense of Title. Albina warrants that Albina is the owner and holder of the lessee's interest in the Property pursuant to the Ground Lease, free of all encumbrances other than the encumbrances described on Exhibit B attached hereto (hereinafter referred to as "Permitted Encumbrances"). Albina warrants and will forever defend Albina's right, title, and interest in the Property against the claims, other than Permitted Encumbrances, of all persons. In the event any action or proceeding is commenced that questions Albina's interest in the Property or the interest of U.S. Bank under this Deed of Trust, Albina shall defend the action at Albina's expense. If any Permitted Encumbrance is a lien, Albina shall pay any sums and do any other acts necessary to prevent a default or prevent any action or condition that with the lapse of time, the giving of notice, or any other action of a creditor, would be a default or enable any creditor to declare a default or foreclose any Permitted Encumbrance that is a lien.

1.11 Condemnation. If all or any part of the Trust Estate is condemned, U.S. Bank at its election may require that all or any portion of the net proceeds of the award be applied to the indebtedness secured hereby. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney fees necessarily paid or incurred by Albina and U.S. Bank in connection with the condemnation. If any proceeding in condemnation is filed, Albina promptly shall take such steps as may be necessary to defend the action and obtain the award. Albina hereby assigns to U.S. Bank as additional Collateral for Albina's obligations secured by this Deed of Trust the net proceeds of any condemnation award.

1.12 Imposition of Tax. The following shall constitute taxes to which this paragraph applies:

- (a) A specific tax upon deeds of trust or upon all or any part of the indebtedness secured by a deed of trust.
- (b) A specific tax on the owner of property covered by a deed of trust that the taxpayer is authorized or required to deduct from payments on the deed of trust.
- (c) A tax on premises covered by a deed of trust chargeable against U.S. Bank under the deed of trust or the holder of the Notes.
- (d) A specific tax on all or any portion of the indebtedness secured hereby or on payments of principal and interest made by a grantor under a deed of trust.

If any federal, state, or local tax to which this paragraph applies is enacted subsequent to the date of this Deed of Trust, this shall have the same effect as a default and U.S. Bank may exercise any or all of the remedies available to it in the event of a default unless the following conditions are met:

- (a) Albina may lawfully pay the tax or charge imposed; and

(b) Albina pays the tax or charge within 30 days after notice from U.S. Bank that the tax law has been enacted.

1.13 No Waiver. By accepting payment of any obligation herein mentioned after its due date, U.S. Bank does not waive its right either to require prompt payment when due of all other obligations herein mentioned or to declare default for failure so to pay.

1.14 Repayment of Advances. Upon receipt of notice, Albina shall repay immediately all sums expended or advanced hereunder by or on behalf of U.S. Bank or Trustee, with interest from the date of such advance or expenditure at the Note Rate, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within 10 days of such notice will, at U.S. Bank's option, constitute an event of default hereunder; or U.S. Bank may, at its option, commence an action against Albina for the recovery of such expenditure or advance and interest thereon, and in such event Albina agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorney's fee at trial and on appeal.

1.15 Use of Loan Proceeds. The commercial loans evidenced by the Notes were not made, and their proceeds will not be used for personal, family, or household purposes.

1.16 Compliance With the Ground Lease. Albina hereby represents and warrants that the Ground Lease is in full force and effect, that no event of default exists thereunder, and that no event has occurred that with the giving of notice or the passage of time, or both, would result in an event of default under the Ground Lease. Albina shall fully and timely perform all of its obligations under the Ground Lease.

1.17 Consent of the Landlord. Prior to or contemporaneously with the execution of this Deed of Trust, Albina shall obtain the written consent (in a form reasonably satisfactory to U.S. Bank) of the landlord under the Ground Lease to the encumbrance effected hereby of Albina's lessee's interest in the Property.

ARTICLE II

SECURITY AGREEMENT; FIXTURE FILING

2.1 Creation of Security Interest. Albina hereby grants to U.S. Bank a security interest in (a) the Personal Property located on or at the Property, including without limitation any and all property of similar type or kind hereafter located on or at the Property, (b) the Cash Collateral, and (c) all of Albina's interest in any other property in which a security interest may be granted under the Uniform Commercial Code of Oregon (collectively, the "Secured Property"), for the purpose of securing all obligations of Albina contained in any of the Loan Documents.

2.2 Warranties, Representations, and Covenants of Albina. Albina hereby warrants, represents, and covenants as follows:

(a) Except for the security interest granted hereby, Albina is, and as to portions of the Secured Property to be acquired after the date hereof will be, the sole

owner of the Secured Property, free from any adverse lien, security interest, encumbrance, or adverse claims thereon of any kind whatsoever. Albina will notify U.S. Bank of, and will defend the Secured Property against, all claims and demands of all persons at any time claiming the same or any interest therein.

(b) Albina will not lease, sell, convey, or in any manner transfer the Secured Property without the prior written consent of U.S. Bank, except for sales of inventory in the ordinary course of Albina's business.

(c) The Secured Property is not used or bought for personal, family, or household purposes.

(d) The Personal Property will be kept on or at the Property and Albina will not remove the Personal Property from the Property without the prior written consent of U.S. Bank, except such portions or items of Personal Property that are consumed or worn out in ordinary usage, all of which promptly shall be replaced by Albina with an article of equal suitability owned by Albina free and clear of any lien or security interest except such as may be approved in writing by U.S. Bank.

(e) Albina maintains its principal place of business and corporate existence in the State of Oregon, and Albina immediately will notify U.S. Bank in writing of any change in its principal place of business or state of incorporation.

(f) At the request of U.S. Bank, Albina will join U.S. Bank in executing one or more financing statements and renewals and amendments thereof pursuant to the Uniform Commercial Code of Oregon in form satisfactory to U.S. Bank, and will pay the cost of filing the same in all public offices wherever filing is deemed by U.S. Bank to be necessary or desirable, and will exercise reasonable best efforts to secure any necessary consents from any senior secured creditors to the grant of junior security interests to U.S. Bank and the filing of associated financing statements.

(g) All covenants and obligations of Albina contained herein relating to the Trust Estate shall be deemed to apply to the Secured Property whether or not expressly referred to herein.

(h) In addition to being effective as a deed of trust, this Deed of Trust constitutes a security agreement as that term is used in the Uniform Commercial Code of Oregon.

2.3 Fixture Filing. In addition to being effective as a deed of trust, this Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County in which the Property is located with respect to any and all fixtures included within the term "Trust Estate" as used herein and with respect to any goods or other personal property that may now or hereafter become such fixtures.

ARTICLE III

ASSIGNMENT OF LEASES AND RENTS

3.1 Assignment. Albina hereby assigns to U.S. Bank and grants to U.S. Bank a security interest in all Leases as security for performance of all obligations secured by this Deed of Trust.

3.2 Representations and Warranties. Albina represents and warrants as follows:

(a) Albina has good right, title, and interest in and to the Leases and Cash Collateral and good right to assign the same, and no other person has any right, title, or interest therein.

(b) Albina has duly and punctually performed all and singular the terms, covenants, conditions, and warranties of the Leases on Albina's part to be kept, observed and performed.

(c) The existing Leases, if any, are valid and unmodified and are in full force and effect.

(d) Albina has not previously sold, assigned, transferred, mortgaged, pledged, or granted a security interest in the Cash Collateral, whether now due or hereafter to become due.

(e) None of the Cash Collateral due and issuing from the Property or from any part thereof has been collected for any period in excess of one month from the date hereof, and payment of any of same has not otherwise been anticipated, waived, released, discounted, set off, or otherwise discharged or compromised.

(f) Albina has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Cash Collateral.

(g) None of the tenants under any existing Leases is in default of any of the terms thereof.

3.3 Covenants of Performance. Albina covenants and agrees as follows:

(a) Albina shall observe, perform, and discharge, duly and punctually, all of the obligations of the Leases on the part of Albina to be kept, observed, and performed and shall give prompt notice to U.S. Bank of any failure on the part of Albina to observe, perform, and discharge same.

(b) Albina shall notify and direct in writing each and every present or future tenant or occupant of the Property or any part thereof that any security deposit or other deposits heretofore delivered to Albina have been retained by Albina or assigned and delivered to U.S. Bank as the case may be.

(c) Albina shall enforce the performance of each and every obligation, term, covenant, condition, and agreement in the Leases by any tenant to be performed, and shall notify U.S. Bank of the occurrence of any material default under the Leases.

(d) Albina shall appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties, or liabilities of Albina or any tenant thereunder at the expense of Albina.

3.4 Prior Approval for Actions Affecting Leases. Albina, without the prior written consent of U.S. Bank, further covenants and agrees as follows:

(a) Albina shall not receive or collect any Cash Collateral from any present or future tenant of the Property or any part thereof for a period of more than one month in advance (whether in cash or by promissory note) nor pledge, transfer, mortgage, grant a security interest in, or otherwise encumber or assign future payments of Cash Collateral.

(b) Albina shall not waive, forgive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any tenant under any Leases having a term in excess of one year of or from any obligations, covenants, conditions, and agreements by such tenant to be kept, observed, and performed, including the obligation to pay the Cash Collateral thereunder in the manner and at the place and time specified therein.

(c) Albina shall not cancel, terminate, or consent to any surrender of any of the Leases having a term in excess of one year, nor commence any action of ejectment or any summary proceedings for dispossession of the tenant under any such Leases, nor exercise any right of recapture of the Property provided in any such Leases, nor modify or in any way alter the terms thereof.

(d) Albina shall not lease any part of the Property to a third party for a term in excess of one year, nor renew or extend the term of any Leases of the Property other than month-to-month rental agreements unless an option therefor was originally so reserved by tenants in the Leases.

(e) Albina shall not relocate any commercial tenant within the Property nor consent to any modification of the express purposes for which the Property has been leased, nor consent to any subletting of the Property or any part thereof, or to any assignment of the Leases by any commercial tenant thereunder or to any assignment or further subletting of any sublease.

3.5 Rejection of Leases. Albina further covenants and agrees as follows:

(a) In the event any tenant under the Leases should become the subject of any proceeding under the United States Bankruptcy Code or any other federal, state, or local statute that provides for the possible termination or rejection of the Leases assigned hereby, Albina covenants and agrees that in the event any of the Leases are so rejected, no damage settlement shall be made without the prior written consent of U.S. Bank.

(b) Albina will request that any check in payment of damages for rejection or termination of any such Lease will be made payable both to Albina and U.S. Bank.

(c) Albina hereby assigns any such payment to U.S. Bank and further covenants and agrees that upon request of U.S. Bank, it will endorse to the order of U.S. Bank any such check, the proceeds of which will be applied to any portion of the indebtedness secured by this Deed of Trust in such manner as U.S. Bank may elect.

3.6 License to Collect Cash Collateral. As long as there shall exist no default by Albina hereunder, Albina shall have the right under a license granted hereby (but limited as provided herein) to collect, but not prior to accrual, all of the Cash Collateral arising from or out of said Leases or any renewals, extensions, and replacements thereof, or from or out of the Property or any part thereof. Albina shall receive such Cash Collateral and hold the Cash Collateral, together with the right and license herein granted as a trust fund to be applied, and Albina hereby covenants to so apply them, as required by U.S. Bank, first to the payment of taxes and assessments upon the Property before penalty or interest is due thereon; second to the costs of insurance, maintenance, and repairs required by the terms of this Deed of Trust; third to satisfaction of all obligations under the Leases; and fourth to the payment of interest, principal, and any other sums becoming due under the Notes and Deed of Trust, before using any part of the same for any other purposes. Upon the conveyance by Albina and its successors and assigns of Albina's interest in the Property, all right, title, interest, and powers granted under the license aforesaid automatically shall pass to and may be exercised by each subsequent owner.

ARTICLE IV

REMEDIES UPON DEFAULT

4.1 Events of Default. An event of default shall occur hereunder if an Event of Default shall occur and exist under the Credit Agreement.

4.2 Rights and Remedies on Default. Upon the occurrence of any event of default and at any time thereafter, U.S. Bank may exercise any one or more of the following rights and remedies:

(a) The right at its option by notice to Albina to declare the entire indebtedness secured hereby immediately due and payable.

(b) With respect to all or any part of the Property, the right to foreclose by judicial foreclosure in accordance with applicable law.

(c) The right to have the Trustee sell the Trust Estate in accordance with the Oregon Revised Statutes and the Uniform Commercial Code of Oregon where applicable, at public auction to the highest bidder. Any person except the Trustee may bid at the Trustee's sale. The power of sale conferred by this Deed of Trust and the law is not an exclusive remedy and when not exercised, U.S. Bank may foreclose this Deed of Trust as a mortgage. The Trustee is not obligated to notify any party hereto of a pending sale under any other deed of trust or of any action or proceeding in which Albina, Trustee, or U.S. Bank shall be a party, unless such action or proceeding is brought by the Trustee.

(d) With respect to all or any part of the Trust Estate that constitutes personalty, the rights and remedies of a secured party under the Uniform Commercial Code of Oregon.

(e) The right, without notice to Albina, to terminate the license granted to Albina to collect the Cash Collateral without taking possession, and to demand, collect, receive, sue for, attach, and levy against the Cash Collateral in U.S. Bank's name; to give proper receipts, releases, and acquittances therefor; and after deducting all necessary and proper costs and expenses of operation and collection as determined by U.S. Bank, including reasonable attorney fees, to apply the net proceeds thereof, together with any funds of Albina deposited with U.S. Bank, upon any indebtedness secured hereby and in such order as U.S. Bank may determine. In furtherance of this right, U.S. Bank may require any tenant or other user to make payments of rent or use fees directly to U.S. Bank, and payments by such tenant or user to U.S. Bank in response to its demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed.

(f) The right to have a receiver appointed to take possession of any or all of the Trust Estate, with the power to protect and preserve the Trust Estate and to operate the Trust Estate preceding foreclosure or sale and apply the proceeds, over and above cost of the receivership, against the indebtedness secured hereby. The receiver may serve without bond if permitted by law. U.S. Bank's right to the appointment of a receiver shall exist whether or not apparent value of the Trust Estate exceeds the indebtedness by a substantial amount. Albina hereby irrevocably consents to the appointment of a receiver on the terms set forth herein. Employment by U.S. Bank shall not disqualify a person from serving as receiver. Upon taking possession of all or any part of the Trust Estate, the receiver may:

(1) Use, operate, manage, control, and conduct business on the Trust Estate;

(2) Make expenditure for all maintenance, renewals, replacements, alterations, additions, and improvements to the Trust Estate as in its judgment are proper;

(3) Insure and reinsure the Trust Estate and all risks incidental to the possession, operation, and management of the Trust Estate;

(4) Collect the Cash Collateral and any other revenues and income from the Trust Estate and apply such sums to the expenses of use, operation, and management in such priority as the receiver deems appropriate. Albina shall promptly turn over to the receiver all documents, books, records, papers, and accounts, together with the amount of any deposits, rentals, and use fees from any tenant or other user. The receiver may appear in any proceeding or bring suit on Albina's behalf, as necessary to enforce obligations of any tenant or other user, including actions for the recovery of rent and actions in forcible detainer;

(5) Cancel or terminate any Lease or agreement for any cause for which Albina would be entitled to cancel the same;

(6) Extend or modify any Lease and make any new Lease on any portion of the Trust Estate. Any such instruments shall be binding upon Albina and all persons whose interests in the Trust Estate are subordinate to this Deed of Trust, and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of the foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(7) Complete any construction in progress on the Property, and in that connection, pay bills, borrow funds, employ contractors, and make any changes in plans or specifications as the receiver deems appropriate; or

(8) If the revenues and income are insufficient to pay expenses, the receiver may borrow such sums as the receiver deems necessary for the purposes stated in this paragraph. The amounts borrowed shall bear interest from the date of expenditure until repaid at the same rate per annum as is accruing on the Notes. Such sums shall become a part of the balance secured by this Deed of Trust and shall be payable by Albina on demand.

(g) Subject to any limitations imposed by law, the right to obtain a deficiency judgment in the event the net sale proceeds of any foreclosure sale are insufficient to pay the entire unpaid indebtedness secured hereby.

(h) The right to maintain an action against Albina or any other person liable on the obligations secured by this Deed of Trust prior to a notice of trustee's sale having been given or after the discontinuance of a trustee's sale.

(i) Any other right or remedy provided in this Deed of Trust, the Notes, any other Loan Documents, or by applicable law.

4.3 Foreclosure by Power of Sale. Should U.S. Bank elect to foreclose by exercise of the power of sale herein contained, U.S. Bank shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Notes and such receipts and evidence of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from U.S. Bank, Trustee shall cause to be given such Notice of Default as then required by law, including any notices required to preserve U.S. Bank's right to seek a deficiency judgment against Albina or any guarantor. Trustee shall, without demand on Albina, after lapse of such time as may then be required by law and after Notice of Sale and Notice of Foreclosure having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such Notice of Sale and Notice of Foreclosure, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such

deed of any matters or facts shall be conclusive proof of the truthfulness thereof. After deducting all costs, fees, and expenses of Trustee and of this Trust, including costs of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest, all other sums then secured hereby and the remainder, if any, shall be paid into court in the manner provided by law.

4.4 Sale of Personal Property. U.S. Bank shall give Albina reasonable notice of the time and place of any public sale of any Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten days before the time of the sale or disposition.

4.5 Due on Sale or Increase in Interest Rate on Sale. Albina agrees and acknowledges that the indebtedness evidenced by the Notes is personal to Albina, and that Albina's personal responsibility and/or control of the Property is a material inducement to U.S. Bank to agree to enter into this transaction. Any conveyance of the whole or any part of the Property, whether by deed, contract, further encumbrance, lease of the same, or otherwise, without U.S. Bank's prior written consent, or any transfer of capital stock in Albina without U.S. Bank's prior written consent shall be deemed to increase the risk of U.S. Bank, and U.S. Bank or other holder may declare the entire unpaid balance immediately due and payable, or, at its sole option, it may consent to such conveyance, or transfer of capital stock in writing and may increase the interest rate on the Notes, change the maturity date of the Notes, modify the loan terms, or impose whatever other conditions it shall deem necessary to compensate it for such increased risk. Any increase in interest shall entitle the holder to increase monthly payments on the loan evidenced by the Notes so as to retire the obligation within the original stipulated time. In the event Albina shall request the consent of U.S. Bank in accordance with the provisions of this Section 4.5, Albina shall deliver a written request to U.S. Bank, together with such information as U.S. Bank may reasonably request regarding such conveyance, further encumbrance, lease, or transfer of capital stock and shall allow U.S. Bank 30 days to evaluate such request. In the event U.S. Bank approves such conveyance, encumbrance, lease, or transfer of capital stock, Albina shall pay U.S. Bank a processing fee in an amount to be determined by U.S. Bank but in no event less than \$500 to compensate U.S. Bank for its costs in processing such request. Consent as to any one transaction shall not be deemed to be a waiver of the right to require consent to any further or successive transaction. The execution and delivery by Albina of any joint venture agreement, partnership agreement, declaration of trust, option agreement, or other instrument whereunder any person, corporation, or other entity may become entitled, directly or indirectly, to the possession or enjoyment of the Property, or the income or other benefits derived or to be derived therefrom, shall in each case be deemed to be a conveyance or assignment of Albina's interest in the Property for the purposes of this section, and shall require the prior written consent of U.S. Bank. In the event ownership of the Property or any portion thereof becomes vested in a person other than Albina, U.S. Bank may, without notice to Albina, whether or not U.S. Bank has given written consent to such change in ownership, deal with such successor or successors in interest with reference to this Deed of Trust and the obligations secured hereby, in the same manner as with Albina, without in any way vitiating or discharging Albina's liability hereunder or the obligations hereby secured.

4.6 Attorney Fees. In the event suit, action, or arbitration proceeding is instituted to enforce any of the terms of this Deed of Trust, U.S. Bank shall be entitled to recover from Albina such sum as the court or arbitrator may adjudge reasonable as attorney fees at trial, on any appeal, and in any bankruptcy proceeding. All reasonable expenses incurred by U.S. Bank that are necessary at any time in U.S. Bank's opinion for the protection of its interest or the enforcement of its rights, including without limitation, the cost of any appraisal of the Property, searching records, obtaining title reports, surveyors' reports, demanding payment, attorneys' opinions, or title insurance, whether or not any court action is involved, shall become a part of the indebtedness secured hereby, payable on demand, and shall bear interest at the Note Rate from the date of expenditure until paid.

4.7 Surviving Obligations. The obligations and liabilities of Albina for waste on the Property or for wrongful retention of any Cash Collateral, insurance proceeds, or condemnation awards shall survive any termination, satisfaction, assignment, entry of judgment of foreclosure, delivery of trustee's deed in a nonjudicial foreclosure proceeding, or delivery of a deed in lieu of foreclosure.

ARTICLE V

MISCELLANEOUS

5.1 Governing Law. This Deed of Trust shall be governed by the laws of the State of Oregon. In the event that any provision or clause of this Deed of Trust conflicts with applicable laws, such conflicts shall not affect other provisions of this Deed of Trust that can be given effect without the conflicting provision, and to this end the provisions of Deed of Trust are declared to be severable.

5.2 Modification. This instrument cannot be waived, changed, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge, or termination is sought.

5.3 Inspections and Appraisals. U.S. Bank or its agents may enter upon the Property at any reasonable times to inspect or appraise it or to perform any of the acts it is authorized to perform under any of the Loan Documents, whether or not any default exists hereunder. If Albina refuses to permit such inspection or appraisal, U.S. Bank may specifically enforce performance of this provision. Albina agrees to pay the cost of all appraisals required by U.S. Bank in its sole discretion (a) to comply with (i) any applicable statute or regulation, or (ii) the request or directive (whether or not having the force of law) of any regulatory authority with jurisdiction over U.S. Bank, (b) to comply with U.S. Bank's policies concerning appraisals, or (c) at any time after the occurrence of an event of default. All such appraisal costs shall become a part of the indebtedness secured hereby and shall be payable on demand, together with interest thereon at the highest rate applicable to any such indebtedness. Notwithstanding anything herein to the contrary, Albina shall not be required to pay for more than one appraisal in any calendar year unless an Event of Default existed at the time the second or other subsequent appraisal was ordered by U.S. Bank, in which case Albina shall pay for such appraisal (and the cost of the appraisal shall be part of the indebtedness secured hereby).

5.4 Reconveyance by Trustee. Upon written request of U.S. Bank stating that all sums secured hereby have been paid, and upon surrender of the Notes to Trustee for cancellation and retention and upon payment by Albina of Trustee's fees, Trustee shall reconvey to Albina, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

5.5 Notices. Whenever U.S. Bank, Albina, or Trustee shall desire to give or serve any notice, demand, request, or other communication with respect to this Deed of Trust, each such notice, demand, request, or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

(a) If to Albina:

3246 N.E. Broadway Street
Portland, Oregon 97232
Attention: Mr. Neal L. Arntson

(b) If to U.S. Bank:

U.S. Bank National Association
111 S.W. Fifth Avenue (T-8)
Portland, Oregon 97204
Attention: Ms. Elizabeth C. Hengeveld

(c) If to Trustee:

U.S. Bank Trust Company, National Association
111 S.W. Fifth Avenue (PL-7)
Portland, Oregon 97204

Any communication that is mailed as provided above shall be deemed delivered 72 hours after mailing. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto a notice of such change in accordance with this Section 5.5.

5.6 Acceptance by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

5.7 Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

5.8 Invalidity of Certain Provisions. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially unsecured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement

action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Deed of Trust. Further, the invalidity or unenforceability of any portion or provision of this Deed of Trust shall in no way affect the validity or enforceability of the remainder hereof.

5.9 Subrogation. To the extent that proceeds of the Notes are used to pay any outstanding lien, charge, or prior encumbrance against the Trust Estate, such proceeds have been or will be advanced by U.S. Bank at Albina's request and U.S. Bank shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges, and prior encumbrances, irrespective of whether such liens, charges, or encumbrances are released.


5.10 No Merger. If both the lessor's and lessee's estates under any lease or portion thereof that constitutes a part of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, U.S. Bank shall continue to have and enjoy all of the rights and privileges of U.S. Bank as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and created by Albina shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless U.S. Bank or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of U.S. Bank or any such purchaser shall constitute a termination of any lease or sublease unless U.S. Bank or such purchaser shall give written notice thereof to such tenant or subtenant.

5.11 Late Charge. Albina recognizes that default by Albina in making the payments under the Notes and/or in any of the other Loan Documents when due will result in U.S. Bank incurring additional expense servicing the loan, loss to U.S. Bank of the use of the money due, and frustration to U.S. Bank in meeting its other loan commitments. In the event that any payment or portion thereof is not paid within 15 days after the date it is due, U.S. Bank may collect, and Albina agrees to pay with such payment, a "late charge" of 5 percent of any overdue amount as liquidated damages for the additional expense of handling such delinquent payments. Such late charge represents the reasonable estimate of U.S. Bank and Albina of a fair, average compensation due to the failure of Albina to make timely payments. Such late charge shall be paid without prejudice to the right of U.S. Bank to collect any other amounts provided to be paid or to declare a default hereunder.

5.12 Interpretation. In the event of any conflict between the terms of this Deed of Trust and the terms of the Credit Agreement, the terms of the Credit Agreement shall control.

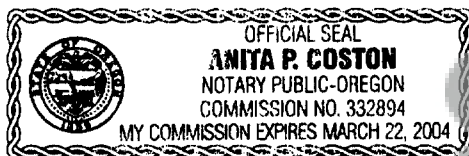
IN WITNESS WHEREOF, Albina has executed this Deed of Trust as of the day and year first above written.

ALBINA FUEL COMPANY

By 
Neal L. Arntson
President

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

1st I hereby certify that the foregoing deed of trust was executed before me on this day of June, 2001, by Neal L. Arntson, President of Albina Fuel Company.





Notary Public for Oregon
My commission expires: 3/22/04

EXHIBIT A
(Klamath Falls Property)

A tract of land situated in the NW1/4 NW1/4 of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the South line of Hilyard Avenue, 867.74 feet East of the intersection of the South line of Hilyard Avenue and the East line of Washburn Way; thence South 00 degrees 26' 25" West 907.89 feet to a point; thence East 350.00 feet to a point; thence Northerly along the Westerly right of way line of the Burlington Northern Railroad to a point on the South boundary of Hilyard Avenue; thence West 300.41 feet to the point of beginning.

SAVING AND EXCEPTING any portion lying within the boundaries of Hilyard Avenue.

EXHIBIT B
(Klamath Falls Property)

Taxes for the fiscal year 2000-2001, partially paid.
Account No: 3909-010BB-00100-000 Key No: 542336
Original Amount: \$2,141.70 Code No: 041
Unpaid Balance: \$1,446.83 plus interest, if any

Account No: 3909-010BB-00100-0A1 Key No: 542327
Original Amount: \$4,203.88 Code No: 041
Unpaid Balance: \$2,839.95 plus interest, if any

The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath County Drainage District.

The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Irrigation District.

The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of South Suburban Sanitary District.

Easement from R.B. Nichols to South Suburban Sanitary District of Klamath County, Oregon, for a sewer, dated May 26, 1958, recorded August 18, 1958 in Volume 302 of Deeds, page 279, Records of Klamath County, Oregon.

Reservations in deed from Western Cities Company, to H.M. Mallory et al, recorded on page 91, Volume 225 of Deeds, as follows:

"Subject to any right of way heretofore conveyed to the United States or to any other governing body for canals, ditches, or laterals, for irrigation or drainage purposes. Subject also to operation and maintenance charges and liens for water and drainage of the Klamath Irrigation District. The right also is reserved by the grantor to construct and maintain ditches, canals and pipe lines over, under or across land herein described for the purposes of diverting and delivering water for irrigation and domestic use to adjoining property."

An easement created by instrument, subject to the terms and provisions thereof,
Dated: December 11, 1974
Recorded: December 23, 1974
Volume: M74, page 16152, Microfilm Records of Klamath County, Oregon
In favor of: Oregon Water corporation, a public utility of the State of Oregon
For: Water pipelines

Trust Deed, subject to the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advance as may be provided therein;
Dated: September 26, 1978
Recorded: September 26, 1978
Volume: M78, page 21363, Microfilm Records of Klamath County, Oregon
Amount: \$270,000.00
Grantor: Gary L. Renne, Lester Rookstool and Martin D. Alter
Trustee: Transamerica Title Insurance Company
Beneficiary: Dean O. Miller and Naomi B. Miller, husband and wife

Subject to the re-recording of Bargain and Sale Deed, subject to the terms and provisions thereof;

Dated: March 19, 1987

Recorded: April 1, 1987

Volume: M87, page 5420, Microfilm Records of Klamath County, Oregon

Wherein: GLAMRR Properties, a co-partnership composed of Gary L. Renne, Lester Rookstool, and Martin D. Alter are the Grantor and GLAMRR Properties, a limited partnership is the Grantee.

To correct the point of beginning in the legal description.

Financing Statement, subject to the terms and provisions thereof;

Recorded: July 21, 1997

Volume: M97, page 22880, Microfilm Records of Klamath County, Oregon

Debtor: Golden Bear Acquisition Corp

Secured Party: LaSalle National Bank

Amended by instrument,

Recorded: July 14, 1998

Volume: M98, page 25251, Microfilm Records of Klamath County, Oregon

Subject to any unrecorded leases and tenancies, if any.

The Lessee's interest in said Lease was assigned by instrument;

Dated: March 22, 1999

Recorded: April 19, 1999

Volume: M99, page 14119, Microfilm Records of Klamath County, Oregon

To: Albina Fuel Company, an Oregon corporation

Financing Statement, subject to the terms and provisions thereof;

Recorded: June 2, 1999

Volume: M99, page 21760, Microfilm Records of Klamath County, Oregon

Debtor: Albina Fuel Company

Secured Party: U.S. Bank National Association

Financing Statements or Federal Tax Liens, if any filed with the Secretary of State.

A statement and certification of the actions by a majority (or other requisite number) of the members of GLAMRR Properties, a limited partnership, (a limited liability company), approving the proposed transaction, must be furnished to AmeriTitle for examination. Please do so at least 10 days before closing.