A

Attention:

2715 E Highway 20 Bend OR 97701 mtc- 69 238 Kg

Vol. M05 Page 54314

State of Oregon, County of Klamath Recorded 07/15/05 10/5/4 m Vol M05 Pg 5/3/4-17 Linda Smith, County Clerk Fee \$ 36 # of Pgs 4

| FTER RECORDING RETURN TO: | Loan Number 117 207 305610-8 |
|----------------------------|------------------------------|
| Washington Federal Savings | Title Company |
| Bend Office | Order Number |

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made July 8th, 2005 **BETWEEN** HARBORVIEW, LLC., AN OREGON LIMITED LIABILITY COMPANY as Grantor/Trustor ("Borrower"), whose address is 61573 ORION DR, BEND OR 97702 and **CHICAGO TITLE INSURANCE COMPANY OF OREGON** as Trustee. whose address is and WASHINGTON FEDERAL SAVINGS, a United States Corporation, as Beneficiary ("Lender"), whose address is 300 Ellsworth SW, Albany, Oregon 97321 Borrower hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale according to Oregon law, all Borrower's estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the following described property in **KLAMATH** County, Oregon (the "Property", which term shall include all or any part of the Property, any improvements thereon and all the property described in Paragraph 2 of the Master Form Deed of Trust hereinafter referred to):

"AS PER ATTACHED EXHIBIT "A," AND BY THIS REFERENCE INCORPORATED HEREIN";

TOGETHER WITH all the tenements, hereditaments and appurtenances, now or hereafter thereunto belonging or in any way appertaining, leases and other agreements for the use and occupancy pertaining thereto, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Lender to collect and apply such rents, issues and profits.

This Security Instrument shall constitute a security agreement under the Uniform Commercial Code of Oregon between Borrower as debtor and Lender as secured party. Borrower grants a security interest to Lender in any of the Property which is personal property and also grants a security interest in the property described in Paragraph 3 of the Master Form Deed of Trust hereinafter referred to, now owned or hereafter acquired by Borrower (the Property, as defined above, and the property described in said Paragraph 3 are hereafter collectively referred to as the "Collateral").

Borrower's Initials

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(Page 1 of 3)

(a) Payment of the sum of

TWO MILLION THREE HUNDRED THOUSAND AND NO/100S

DOLLARS

), with interest thereon according to the terms of a promissory note of even date herewith, payable to <u>\$2,300,000.00</u> Lender or order and made by Borrower (the "Note", which term shall include all notes evidencing the indebtedness secured by this Security Instrument, including all renewals, modifications or extensions thereof);

- b) Payment of any further sums advanced or loaned by Lender to Borrower, or any of its successors or assigns, if (1) the Note or other writing evidencing the future advance or loan specifically states that it is secured by this Security Instrument, or (2) the advance, including costs and expenses incurred by Lender, is made pursuant to this Security Instrument or any other documents executed by Borrower evidencing, securing, or relating to the Note and/or the Collateral, whether executed prior to, contemporaneously with, or subsequent to this Security Instrument (this Security Instrument, the Note and such other documents, including any construction loan, land loan or other loan agreement, are hereinafter collectively referred to as the "Loan Documents"), together with interest thereon at the rate set forth in the Note unless otherwise specified in the Loan Documents or
- c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, including without limitation the loan agreement of even date herewith, which are incorporated herein by reference or contained herein.

THE MATURITY DATE OF THESE SECURED OBLIGATIONS, AS CONTAINED IN THE LOAN DOCUMENTS, INCLUDING THE NOTE, IS July 8th, 2007

By executing and delivering this Security Instrument and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 69 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Borrower hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the dates below shown, in the Official Records of the offices of the County Clerk, Director of Records & Elections or County Recorders of the following counties in the State of Oregon according to the enumerated recordation designations appearing below after the name of each county, to wit:

| | DOOK BEEN | // | DOCUMENT, MICROFILM | |
|------------|---------------------------------|-------------|---------------------|------------------|
| COUNTY | BOOK, REEL | FILE OR | RECORDING, FEE | DATE OF |
| BAKER | <u>OR VOLUME</u> | PAGE NO(S). | OR INSTRUMENT NO. | RECORDING |
| BENTON | | 48487 | 95 41 142 | October 11, 1995 |
| CLACKAMAS | 4 | P 32 3 ' | M-204576-95 | October 11, 1995 |
| CLATSOP | 883 | | 95-062934 | October 12, 1995 |
| COLUMBIA | 003 | 111-122 | 9508232 | October 11, 1995 |
| COOS | | ~ ~ , | 95-08045 | October 11, 1995 |
| CROOK | [Miscellaneous] | | 95-10-0399 | October 11, 1995 |
| CURRY | [wiscenaneous] | | 123668 | October 11, 1995 |
| DESCHUTES | 387 | | 95-04705 | October 11, 1995 |
| DOUGLAS | 1374 | 1624-1635 | 95-35475 | October 11, 1995 |
| GILLIAM | 1374 | 356-367 | 95-19086 | October 11, 1995 |
| GRANT | [Mtgs.] | | M-21-466 | October 11, 1995 |
| HARNEY | [Mortgage] | | 952016 | October 11, 1995 |
| HOOD RIVER | [Misc.] | | 951702 | October 11, 1995 |
| JACKSON | [mac.] | | 952916 | October 11, 1995 |
| JEFFERSON | [Mortgages] | - // | 95-28821 | October 11, 1995 |
| JOSEPHINE | 186 | 1451 1460 | 954079 | October 11, 1995 |
| KLAMATH | M95(Mortgages) | 1451-1462 | 95-17287 | October 11, 1995 |
| LAKE | 103 (Mortgages) Reel 23 File 02 | 27493-27504 | | October 12, 1995 |
| LANE | [2103R] | 64 735-747 | 085234 | October 11, 1995 |
| LINCOLN | 307 | 0598-0609 | 95-57405 | October 11, 1995 |
| LINN | 0769 | 232-243 | 6143169 | October 13, 1995 |
| MALHEUR | ١ ١ | 232-243 | | October 11, 1995 |
| MARION | 1266 | 340 | 95-6739 | October 12, 1995 |
| MORROW | | 340 | Control #1266340 | October 11, 1995 |
| MULTNOMAH | | | M-46247 | October 12, 1995 |
| POLK | 308 | 0644-0655 | 95-125312 | October 11, 1995 |
| SHERMAN | [Microfilm Mortgage Records] | 0044-0055 | 405767 | October 11, 1995 |
| TILLAMOOK | 373 | 164 | 950261 | October 16, 1995 |
| UMATILLA | 278 | 1450-1462 | 95345657 | October 11, 1995 |
| UNION | | 1430-1462 | 95-211270 | October 11, 1995 |
| WALLOWA | | | 161472 | October 11, 1995 |
| WASCO | | | 95-29697 | October 11, 1995 |
| WASHINGTON | | | 953920 | October 11, 1995 |
| WHEELER | [Mortgages] | | 95073856 | October 12, 1995 |
| YAMHILL | 001 | | 950381 | October 11, 1995 |
| A | such Master Form Dood of To. | | 199513500 | October 11, 1995 |
| A COOV OT | SUCD RECEIVE LOwns Dood of Tr. | | | |

A copy of such Master Form Deed of Trust has been furnished to the person executing this Security Instrument, and by executing this Security Instrument the Borrower acknowledges having received such Master Form Deed of Trust.

The Property which is the subject of this Security Instrument is not used principally or primarily for agricultural or farming purposes.

The undersigned Borrower requests that a copy of any Notice of Default and of any Notice of Sale hereunder, as required by Oregon law in case of non-judicial foreclosure of a deed of trust, be mailed to Borrower at Borrower's address as hereinabove

Borrower agrees to obtain all insurance required from time to time by Lender and as elsewhere provided in the Loan Documents, including flood insurance. If Borrower fails to maintain such insurance satisfactory to the Lender, Lender may make the payment on behalf of the Borrower and any sums expended shall be added to principal and bear interest at the rate provided in the Note.

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| | o checked, the corresponding statement is <u>not</u> part of | of this Security Instrument. |
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| | Paragraph 49 of the Master Form Deed of Trust Note) is hereby deleted. | (which refers to the existence, if any, of an adjustable rate feature in the |
| X | The Note secured hereby evidences a construction Master Form Deed of Trust is hereby deleted. | on loan or land loan but is not a combination Note. Paragraph 53 of the |
| | The Note secured hereby is a combination constrorm Deed of Trust. | cruction loan/permanent loan Note. Refer to paragraph 53 of the Master |
| | The Property or a part thereof is a Condominium | . Refer to paragraph 50 of the Master Form Deed of Trust. |
| | A fee owner and a leasehold owner of the Proper paragraph 51 of the Master Form Deed of Trust | rty, or a portion thereof, have executed this Security Instrument. Refer o |
| | The Property or a part thereof is a leasehold estat | e. Refer to paragraph 52 of the Master Form Deed of Trust. |
| | See also Schedule "A" of this Short Form Deed of | of Trust, attached hereto and incorporated herein by this reference. |
| WITNE | ESS the hand(s) and seal(s) of the Borrower, and eac | ch of them if more than one, on the day and year first above written. |
| | , | HARBORVIEW, LLC |
| | | |
| | and the second s | (X) Klm & Po mensa |
| | | KENNETH THOMAS MEMBER NEMBER NEMBER |
| | | PETER TAYLOR, MEMBER |
| | | X |
| | × | |
| | e of Oregon | |
| | $\mathcal{L}(\mathcal{L})$) ss. | |
| COUNT | TY OF The land of have satisfactory evidence that | |
| Harl | | me(s) of person(s) |
| | | person(x) acknowledged that (he/she/they) signed this instrument and for the uses and purposes mentioned in the instrument. |
| Date | | |
| 24.0 | | (Signature) |
| | (Seal or Stamp) | Notary Public in and for the State of residing at Slamach County, Olegon, |
| | | My commission expires ////6/2007 |
| STATE | EOF Oregon | |
| COUNT | o la la jss. | N/ |
| | ertify that I know or have satisfactory evidence that | Kenneth E. Thomas Member of Navboryie |
| _ | | of Harbonici, LLC an Oregon Limited Liab. Come(s) of person(s)] |
| | the person(s) who appeared before me, and said per that (he/she/they) was/were authorized to execute the | erson(s) acknowledged that (he/she/they) signed this instrument, on oath e instrument and acknowledged it as the |
| *** | Members | ority, e.g., Officer, Trustee) |
| of | Narborview LC an | Overon Limiter Lidellife (). |
| to be th | ne free and voluntary act of such party for the uses a | If of Whom the Instrument was Executed)) and purposes mentioned in the instrument. |
| Date | ted: 1/3/5 | Coston Cargeto |
| | (Seal or Stamp) | (Signature) Notary Public in and for the State of Ovezon, |
| | OFFICIAL SEAL | residing at Reve 75 |
| | NOTARY PUBLIC-UNEGON NO A349481 | My commission expires |
| | MY COMMISSION EXPIRES NOV 9 2005 | |

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EXHIBIT "A" LEGAL DESCRIPTION

A parcel of land situated in Government Lot 2, Section 18, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the 2" iron pipe that marks the center 1/4 corner of said Section 18, which point is also the Southeast corner of First Addition to Terminal City, according to the official plat thereof on file in the office of the Klamath County Clerk; thence South 01° 33' 39" West 1348.74 feet to a 3/4" rebar with a 2" aluminum cap stamped "LS 993" at the Southeast corner of Government Lot 2 of said Section 18; thence North 88° 32' 08" West 46.31 feet along the South line of said Lot 2 to its intersection with the Easterly right of way line of the Dalles-California Highway 97; thence along said Easterly right of way line of the following eight courses; North 51° 28' 40" West 13.91 feet; thence North 29° 29' 38" West 271.15 feet; thence North 44° 43' 52" West 520.28 feet; thence North 32° 42' 24" East 145.70 feet; thence North 03° 41' 59" West 136.40 feet; thence North 12° 54' 07" West 239.30 feet; thence North 49° 38' 25" West 136.40 feet; thence North 12° 54' 07" West 203.57 feet to a point on the North line of said Government Lot 2, said line also being the South line of First Addition to Terminal City; thence South 88° 45' 12" East a distance of 811.41 feet to the POINT OF BEGINNING. Basis of bearings is grid North, based upon the Oregon Coordinate System of 1983, South Zone.

Tax Account No: 3809-01800-00700-000 Key No: 430830