

TRUST DEED

After recording, this Trust Deed shall be delivered to:
INLAND CAPITAL CORP.
1567 SW CHANDLER, STE 101
BEND, OR 97702

Trust Deed made this 11th day of January, 2006, between, Michael A. Hoffmann as Grantor, Inland Capital Corp., as Beneficiary, and AmeriTitle, as Trustee. Grantor conveys to Trustee in trust with the power of sale the following described property in Deschutes County, Oregon:

See Exhibit "A" attached.

Subject to and excepting:

AMERITITLE, has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

1. The continuing lien for unpaid property taxes.
2. Any other liens existing and of record as of the date hereof.

This Trust Deed is for the purpose of securing performance of a promissory note executed by Grantor and payable to Beneficiary, the "Note," as of January 11, 2006, in the principal amount of \$100,250.

Grantor agrees:

- (1) To protect, preserve and maintain said property in its current condition and repair and not to commit or permit any waste of said property.
- (2) To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property, as well as all laws regulating Grantors conduct and/or construction activities thereon.
- (3) To keep the property free from all liens and to pay all taxes, assessments, maintenance charges or other charges that may be levied or assessed upon or against said property before the same become past due or delinquent. Beneficiary, at its option, may pay such items when the same become delinquent and the amount so paid shall be added to the principal owing under the promissory note above described at the same rate of interest and with costs for collection.
- (4) To pay all costs, fees and expenses incurred by Beneficiary or Trustee under this agreement, including the costs of title search and other costs and expenses incurred in connection with or enforcing the Note or the terms hereof, including Beneficiary's attorneys' fees.

(5) Upon default by Grantor of any provision of this agreement or the Note, Beneficiary may declare all sums secured hereby to be immediately due and payable, and exercise any other rights or remedies Beneficiary may have at law or equity.

(6) To maintain adequate fire insurance coverage on improvements on the said property, with Beneficiary as a loss payee to the extent of their interest.

(7) At any time on the request of Beneficiary, payment of Trustee's fees, if any, and presentation of this Trust Deed, without affecting liability of any persons for the payment of the Note, Trustee may reconvey, without warranty, all or any part of the Trust Property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any facts shall be conclusive proof of the truthfulness thereof.

(8) In the event of dissolution or resignation of Trustee, Beneficiary may substitute one or more trustees to execute the trust hereby created, and the new trustee(s) shall succeed to all the powers and duties of the prior trustee(s).

(9) This Trust Deed shall be binding on and inure to the benefit of the successors and assigns of Grantor, Trustee, and Beneficiary. If the Trust Property or any portion thereof shall at any time be vested in any person other than Grantor, Beneficiary shall have the right to deal with such successor regarding this Trust Deed, the Trust Property, and the Note in such manner as Beneficiary deems appropriate in its sole discretion, without notice to or approval by Grantor and without impairing Grantor's liability for the Obligations. Beneficiary shall be free to assign its interest hereunder in its sole discretion.

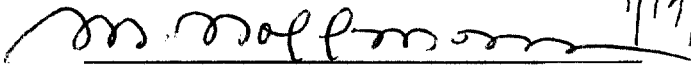
(10) Grantor shall hold Beneficiary and Trustee and their respective directors, officers, employees, agents, and attorneys, harmless from and indemnify them for any and all claims, demands, damages, liabilities, and expenses, including but not limited to attorney fees and court costs, arising out of or in connection with Trustee's or Beneficiary's interest under this Trust Deed, except Grantor shall not be liable for acts performed by Beneficiary or Trustee in violation of applicable law.

(11) Statutory Disclaimer:

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

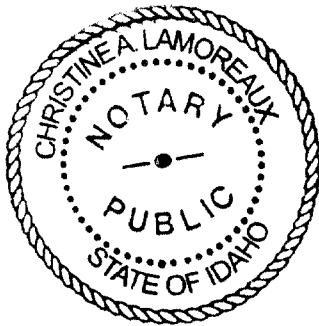
IN WITNESS WHEREOF, Grantor has executed this trust deed the day and year first above written.

Grantor:

 1/17/06
Michael A. Hoffman

STATE OF IDAHO, County of Latah:

The foregoing instrument was acknowledged before me this 13 day of January, 2006 ^{ce}
by Michael A. Hoffman.



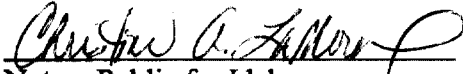

Notary Public for Idaho
My Commission Expires July 21, 2011

EXHIBIT "A"
Legal Description

Undivided 50% interest:

PARCEL 1:

Beginning at a point from which the Northeast corner of the Northwest quarter of the Southeast quarter of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, bears East 490 feet distant; thence, South 557 and $114/469$ ths feet; thence West 469 feet; thence North 557 and $114/469$ ths feet; thence East 469 feet to the point of beginning.

PARCEL 2:

The South half of the South half of the Southwest quarter of the Northeast quarter of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, less the Easterly 490 feet thereof.

PARCEL 3:

A tract of land situated in the SW $1/4$ NE $1/4$ of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the South line of the SW $1/4$ NE $1/4$ of said Section 1, said point being Westerly a distance of 490 feet from the Southeast corner of the SW $1/4$ NE $1/4$ of said Section 1; thence Northerly along a line 490 feet from and parallel to the East line of said SW $1/4$ NE $1/4$ to a point on the North line of the S $1/2$ S $1/2$ SW $1/4$ NE $1/4$ of said Section 1; thence Southeasterly on a straight line to the point of intersection of the Northeasterly right of way line of the Enterprise Irrigation District Canal and the South line of the SW $1/4$ NE $1/4$ of Section 1; thence Westerly to the point of beginning.

Together with an easement and right of way 15 feet wide along the entire Westerly side of the parcel or parcels of land 469 feet in width adjoining said premises on the Southerly side and extending to the North line of the Dalles-California Highway.