

WTC 90250

2011-005024

Klamath County, Oregon



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04/20/2011 03:33:35 PM

Fee: \$107.00

MAIL TAX STATEMENTS TO:

No Change

AFTER RECORDING RETURN TO:

Erich M. Paetsch
Saalfeld Griggs, P.C.
P.O. Box 470
Salem, OR 97308

**TRUST DEED, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

This Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing (hereinafter the "**Trust Deed**") is made on this 31 day of March, 2011 between KATHERINE N. FLETCHER, as "**Grantor**", DESCHUTES COUNTY TITLE as "**Trustee**", and COLUMBIA STATE BANK, successor in interest to the F.D.I.C. as Receiver for Columbia River Bank, as "**Beneficiary**".

1. Conveyance

For value received, Grantor hereby grants, bargains, sells and conveys to Trustee, in trust with power of sale, the Property in Klamath County, Oregon, and more particularly described as follows:

The NW ¼ and the N ½ of the SW ¼ in Section 1, Township 41 South, Range 11 East, Willamette Meridian, Klamath County, Oregon;

Excepting any portion lying within the Old Malin Highway or Paygr Road;

together with all the appurtenances, tenements, hereditaments, fixtures, rents, issues, profits, water rights, easements, or privileges now or hereafter belonging to, derived from or in any way appertaining to the Property.

2. Obligations Secured

This Trust Deed is intended to secure the following:

2.1 Each agreement of Grantor contained herein;

2.2 The payment of a certain Promissory Note (hereinafter the "**Note**") originally dated June 18, 2001, as amended and restated thereafter, currently in the principal amount of \$300,000.00, made by Plateau Wood Works, Inc. and payable to Beneficiary, together with interest as provided in the Note, and any renewals, modifications, or extensions thereof. The due date for final payment on the Note and maturity date of this Trust Deed is March 31, 2011.

3. Pledge for Benefit of Third-party Borrower and Waiver of Rights

Grantor has agreed to execute this Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing (hereinafter "**Trust Deed**") to secure repayment of the Note by Plateau Wood

1029mt

Works, Inc. Grantor hereby waives all requirements of presentment, protest, demand, and notice of dishonor or non-payment to Plateau Wood Works, Inc. or Grantor, or any other party to the Note. Beneficiary may do any of the following with respect to the Note, and any other obligation of Plateau Wood Works, Inc., without first obtaining the consent of Grantor: (a) grant any extension of time for repayment, (2) grant any renewal, (c) permit any modification of payment terms or other terms, or (d) exchange or release any of the Property or other security. No such act or failure to act shall affect Beneficiary's rights against Grantor or the Property.

4. Grantor's Representations and Warranties

Grantor warrants that (a) this Trust Deed is executed at Plateau Wood Works, Inc.'s request and not at the request of Beneficiary; (b) Grantor has the full right, power and authority to enter into this Trust Deed and to pledge and/or grant a security interest in the Property to Beneficiary; (c) Grantor has established adequate means of obtaining from Plateau Wood Works, Inc. on a continuing basis information about Plateau Wood Works, Inc.'s financial condition; and (d) Beneficiary has made no representations to Grantor about Plateau Wood Works, Inc.'s creditworthiness.

5. Plateau Wood Works, Inc.'s Waivers and Responsibilities

Except as required under this Trust Deed or by applicable law, (a) Plateau Wood Works, Inc. agrees that Beneficiary need not tell Plateau Wood Works, Inc. about any action or inaction Beneficiary takes in connection with this Trust Deed; (b) Plateau Wood Works, Inc. assumes the responsibility for being and keeping informed about the Property; and (c) Plateau Wood Works, Inc. waives any defenses that may arise because of any action or inaction of Beneficiary, including without limitation any failure of Beneficiary to realize upon the Property or any delay by Beneficiary in realizing upon the Property; and Plateau Wood Works, Inc. agrees to remain liable under the Note no matter what action Beneficiary takes or fails to take under this Trust Deed.

6. Warranty of Title

At the time of execution and delivery of this Trust Deed, Grantor is the owner of the Property and any improvements thereon, Grantor has the right and authority to encumber the premises as provided in this Trust Deed, and the premises are free and clear of all liens and encumbrances, except that certain trust deed from Katherine N. Fletcher, as grantor, to Pacific Cascades Financial, Inc., as trustee, for the benefit of Klamath First Federal Savings and Loan Association, as beneficiary, said trust deed dated January 2, 2003, and recorded January 3, 2003 in volume M03, page 00579, Microfilm Records of Klamath County, Oregon. Grantor will defend Beneficiary's rights against any claim, demands, liens or encumbrances other than those listed above.

7. Payment of Taxes and Utilities

Grantor shall pay when due all taxes and assessments imposed against the Property and all claims and demands arising from Grantor's use or occupancy of the Property. Upon payment of the real property taxes and assessments Grantor shall furnish to Beneficiary evidence of payment of such taxes and assessments. Grantor hereby authorizes the appropriate city or county official to deliver to Trustee and Beneficiary at any time a written statement of the taxes and assessments against the Trust Property.

8. Liens

Grantor shall not permit any lien prior or equal to Trustee's title to be imposed upon the Trust Property, except liens for taxes or assessments assessed but not yet due and those identified in Section 6 of this Trust Deed.

9. Grantor's Right to Contest

Grantor may withhold any payment of taxes, assessments, claims, or demands or may elect to contest any lien if Grantor is in good faith conducting appropriate proceedings to contest its obligation to pay and for as long as the Trustee's interest in the Property is not jeopardized. If the Property is subject to a lien which is not discharged within 30 days from the date that the notice claim of lien is filed, the Grantor shall deposit or cause to be deposited with Beneficiary cash, a sufficient corporate security bond or other security reasonably satisfactory to Beneficiary in an amount adequate to provide for discharge of the lien, plus any interest, costs, attorneys' fees, or other charges that could accrue as the result of foreclosure of sale. In any contest Grantor shall at Grantor's expense defend itself, Trustee and Beneficiary and shall satisfy any adverse judgment before enforcement against the Property.

10. Insurance

Grantor will keep the buildings and improvements now erected, or which may hereafter be erected on the Property insured under loss or damage by fire with all risks and extended coverage endorsements, written by a responsible insurance company or insurance company satisfactory to Beneficiary in an amount satisfactory to Beneficiary, with a standard mortgagee clause in favor of the Beneficiary and the holder of any prior trust deed, mortgage or contract. Promptly after the signing of this Trust Deed, Grantor shall deliver to Beneficiary a certificate of insurance evidencing the coverage set forth in this Section. The certificate shall contain a stipulation that coverage will not be canceled or diminished without a minimum of thirty (30) days advance written notice to Beneficiary. Grantor shall also deliver to Beneficiary at least thirty (30) days prior to the expiration of any insurance policy required by this Section, a certificate showing the placement of a renewal or substitute policy of insurance.

WARNING UNDER ORS 746.201: Unless you (Grantor) provide us (Beneficiary) with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law or this Trust Deed.

11. Disposition of Insurance Proceeds

Any insurance funds paid to Beneficiary as a result of damage or loss to the Property may, at the option of Beneficiary, and, subject to the terms of any prior trust deed, mortgage, or contract of sale, be released to Grantor to be expended in the repair, restoration, or replacement of the premises so damaged or lost, or be retained by Beneficiary and applied toward the payment of all or such of the items of indebtedness secured by this Trust Deed as Beneficiary may elect. Grantor hereby appoints Beneficiary as agent to collect all amounts payable under the policies to Grantor, and amounts retained by Beneficiary after the cost of collection, shall be applied (subject to the terms of any prior trust deed, mortgage, or contract of sale) to payment of the principal sum and interest thereon, and other sums secured by this Trust Deed.

12. Hazardous Substances

Grantor shall cause the Property and all operations conducted thereon to comply with all environmental laws. There are no lead-based paints on the Property. Grantor represents and warrants that Grantor shall prevent any person or entity from releasing, leaking, storing, manufacturing or disposing of any hazardous substance into the ground water or on the subject Property. Should Grantor become aware of any hazardous substance or environmental problem with respect to the Property, Grantor shall immediately notify Beneficiary in writing. In such event, Grantor shall immediately take all actions necessary or advisable for the containment and cleanup of any hazardous substance and restoration of the Property and ground water in accordance with all environmental laws. In the event Grantor fails to perform these obligations, Beneficiary may do so at Grantor's expense, and such expense shall be immediately due and payable and shall accrue interest at the rate in the Note secured hereby.

Grantor indemnifies and hold Beneficiary harmless from all claims penalties, fines, costs or liabilities relating in any way to any violation of environmental laws or the breach of the warranties contained in this Trust Deed, including but not limited to costs of investigation, cleanup, remedial or restoration work, fines and penalties and including all attorney and expert fees. These warranties and indemnities survive any foreclosure or delivery of any deed in lieu of foreclosure.

"Hazardous Substance" is used in this agreement in its broadest sense to include all hazardous, toxic or contaminating substances including petroleum products, radon, asbestos or similar materials which are now or in the future regulated by any environmental law.

"Environmental Law" shall be interpreted broadly to include any present or future local, municipal, state or federal law, order, rule or regulation relating to environmental protection and pollution control.

13. Condemnation

If the Trust Property, or any part thereof or interest therein, should be taken or damaged by reasons of any public improvement or condemnation proceeding, or if Grantor should receive any notice or other information regarding a condemnation proceeding or similar type of proceeding, Grantor shall immediately notify Beneficiary. Beneficiary shall be entitled to appear in and prosecute in its own name any such action or proceeding and Beneficiary shall also be entitled to make any compromise or settlement in connection with such taking or damage. In the event all or any portion of the Property shall be taken by eminent domain, the Beneficiary, subject to the rights

of the holder of any prior trust deed, mortgage or contract of sale, shall have the right to require that all or any portion of the monies payable as compensation for such taking, in excess of the amount required to pay reasonable costs and attorneys' fees incurred by the Grantor in such proceedings, shall be paid to the Beneficiary and applied by it first to any costs and expenses necessarily paid or incurred by the Beneficiary in such proceedings, and the balance shall be applied to the Note secured hereby against the payments last becoming due thereon. All such compensation, awards, damages, rights of action and proceeds awarded to Grantor are hereby assigned to Beneficiary and Grantor agrees to execute such further assignments of the condemnation proceeds as Beneficiary may require.

14. Use, Maintenance, and Alterations

Grantor shall maintain the Property in good condition and repair and promptly perform all repairs and maintenance necessary to preserve its value. Grantor shall not conduct or permit any nuisance on the Property nor commit or suffer any strip or waste thereof. Grantor shall not demolish or remove any improvements on the Property without the prior written consent of Beneficiary, but Grantor may make alternations which it deems necessary for the purpose of renting the Property. Grantor will permit Beneficiary and its agents to enter upon the Property at all reasonable times to inspect the Property. Grantor shall promptly comply with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals so long as Beneficiary's and Trustee's interest in the Property are not jeopardized.

15. Beneficiary's Right to Advance Funds

If Grantor fails to perform any obligation required of it under this Trust Deed, Beneficiary may, without notice, take any steps necessary to remedy such failure. Grantor shall reimburse Beneficiary for all amounts expended in so doing on demand with interest at the rate set forth in the Note until repaid. The amounts so advanced with interest as stated above shall be secured by this Trust Deed. Such action by Beneficiary shall not constitute a waiver of a default or any of the right or remedy which Beneficiary may have on account of Grantor's default.

16. Assignment of Rents

As additional security, Grantor hereby assigns to Beneficiary all rents, royalties, and other payments, including payments on contracts of sale, arising from the Property and, if included in such rent, royalty or other payment, from any personal property located thereon. Until Grantor shall default in the payment of the Note secured hereby, Grantor shall have the right to collect all such rents, royalties and other payments earned prior to default as they become due. Upon default, the Beneficiary may at any time without notice, either in person or by agent and without regard to the adequacy of this security aforesaid Note, enter upon and take possession of said Property and sue for or otherwise collect the rents, royalties and other payments and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon the Note secured hereby.

17. Leases

Grantor shall furnish to Beneficiary notice of any default on its part under any lease affecting the Trust Property. Upon request of Beneficiary, and not more often than annually,

Grantor will furnish to Beneficiary a certificate from each lessee of any portion of the Trust Property stating, if true, that the landlord (Grantor) is not in default under such lease, and that rental is current and has not been paid more than 60 days in advance. Grantor will furnish to Beneficiary, upon request, copies of leases covering any portion of the Trust Property entered into after the date hereof.

18. Security Agreement

This instrument shall constitute a security agreement with respect to any fixtures attached to the Property to secure all indebtedness and obligations secured by this trust deed and all future advances and all future indebtedness and obligations of Grantor to Beneficiary. This instrument shall also constitute a financing statement and shall be filed for recording in the real estate records of the county where the Trust Property is located.

19. Encumbrances

Grantor shall strictly perform all the terms and conditions of any prior mortgage, trust deed or contract of sale now or thereafter existing against the Property, and pay any amounts secured thereby when due. In the event that Grantor shall default under any prior mortgage, trust deed or contract of sale on the Property, Beneficiary may at its option make any payment or take any steps necessary to remedy such default. Grantor shall reimburse Beneficiary for all amounts expended in so doing on demand with interest at a rate equal to the rate set forth in the Note until repaid. Such action by Beneficiary shall not constitute a waiver of any right arising to Beneficiary for Grantor's breach.

20. Events of Default

The following shall constitute events of default:

20.1 Non-Payment

Failure of Plateau Wood Works, Inc. to make any payment required by the Note and/or related loan documents.

20.2 Grantor's Non-Payment

Failure of Grantor to make any payment for taxes, insurance premiums, or any other payment necessary to prevent filing of or discharging of any lien affecting the Property.

20.3 Breach of Other Covenant

Failure of Grantor to perform any obligation contained in this trust deed within thirty (30) days after notice from Beneficiary (or Beneficiary's representative) specifying the nature of the default or, if the default cannot be cured within thirty (30) days, failure within such time to commence and pursue with reasonable diligence curative action. No notice of default and opportunity to cure shall be required if during the preceding twelve (12) calendar months, Beneficiary has already sent a notice to Grantor concerning the default in performance of the same obligation.

20.4 Breach of Guarantees

The Note is also secured by continuing personal and/or commercial guarantees (hereinafter the "**Guarantees**") executed by Frederick Fletcher, and Pacific Woods Works, Inc., formerly known as T and R Molding, Inc. (collectively the "**Guarantors**") and securing all indebtedness owing by Plateau Wood Works, Inc. to Beneficiary, whether existing at the time of the guarantees or incurred thereafter. It shall be an event of default if Guarantors, individually or collectively, fail to perform under the terms and conditions of the Guarantees.

20.5 Default on Prior Encumbrances

Grantor's default under any prior trust deed, mortgage or contract of sale.

20.6 Cross Default

The happening of an event of default under any other agreement or security instrument between Grantor and/or Plateau Wood Works, Inc. and Beneficiary.

20.7 Sale or Transfer of Possession

The sale or transfer of possession of the Property or any part thereof and in any manner by Grantor whether by deed, contract of sale, or similar agreement without the prior written consent of Beneficiary.

20.8 Governmental Forfeiture

Any proceeding by a governmental body to declare a forfeiture or any act or occurrence on the Property supporting a forfeiture.

21. Remedies in Case of Default

In the event of default, Beneficiary or Trustee, as the case may be, may exercise any of the following rights and remedies, in addition to any other remedies which may be available at law, in equity, or otherwise:

21.1 Acceleration

Beneficiary may declare all sums secured by this Trust Deed, including all interest and prepayment penalties to be immediately due and payable.

21.2 Books and Records

Beneficiary may examine all books, records and contracts of Grantor pertaining to the Property, Plateau Wood Works, Inc. and of any Guarantors and make such memoranda thereof as may be desired.

21.3 Receiver

Beneficiary may have a receiver of the Trust Property appointed. Beneficiary shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Trust Property exceeds the amount of the indebtedness secured by this Trust

Deed. Employment by Trustee or Beneficiary shall not disqualify a person from serving as a receiver. Grantor consents to the appointment of a receiver at Beneficiary's option.

21.4 Possession

Beneficiary may, either through a receiver or as a lender-in-possession, take possession of all or any part of the Trust Property, and Grantor shall peaceably surrender the same.

21.5 Rents and Revenues

Beneficiary may revoke Grantor's right to collect the rents and revenues from the Trust Property, and may, either itself or through a receiver, collect the same. To facilitate collection, Beneficiary may notify Grantor's tenants to pay rents directly to it. Beneficiary shall not be deemed to be in possession of the Trust Property solely by reason of exercise of the rights contained in this Section. If rents are collected by Beneficiary under this Section, Grantor hereby irrevocably designates Beneficiary as Grantor's attorney-in-fact to endorse instruments received in payment of rent, in respect of any part of the Trust Property, in the name of Grantor and to negotiate such instruments and collect the proceeds thereof.

21.6 Foreclosure

Beneficiary may obtain a decree foreclosing Grantor's interest in all or any part of the Trust Property.

21.7 Fixtures and Personal Property

With respect to any fixtures or personal property subject to a security interest in favor of Beneficiary, Beneficiary may exercise any and all of the rights and remedies of a secured party under the Uniform Commercial Code.

21.8 Abandon Security

Beneficiary may abandon any security afforded by this Trust Deed or any other security instrument by notifying Grantor of Beneficiary's election to do so.

21.9 Power of Sale

Beneficiary may direct Trustee, and Trustee shall be empowered, to foreclose the Trust Property by advertisement and exercise of the power of sale under applicable law.

21.10 Sale of Collateral; Bid at Public Sale

In exercising its rights and remedies, Beneficiary shall be free to sell all or any part of the collateral together or separately, or to sell certain portions of its collateral and refrain from selling other portions. Beneficiary shall be entitled to bid at any public sale of all or any portion of its collateral.

21.11 Cumulative Remedies

Election to pursue one remedy shall not exclude resort to any other remedy, and, unless the context otherwise requires, all remedies under this Trust Deed are cumulative and not exclusive. An election by Beneficiary to cure the default shall neither prejudice the right to declare a default nor constitute a waiver of the breached term or any of the remedies provided herein. No delay or omission in exercising any right or remedy shall impair that or any other right or remedy or shall be construed to be a waiver of the default.

22. Reserves

If Grantor has failed to perform its obligations under this Trust Deed, Beneficiary may require Grantor to maintain with Beneficiary reserves for payment of taxes, assessments, and insurance premiums. The reserve shall be created by monthly payments of a sum estimated by Beneficiary to be sufficient to produce, at least 15 days before due, an amount equal to the taxes, assessments, and insurance premiums. If 15 days before payment is due the reserve is insufficient, Grantor shall pay any deficiency to Beneficiary upon demand. The reserve shall be held by Beneficiary as a general deposit from Grantor and shall constitute a non-interest bearing debt from Beneficiary to Grantor which Beneficiary may satisfy by payment of the taxes and assessments. If Beneficiary is required by law to pay interest on these funds, they shall earn interest at the lowest permissible rate, and Beneficiary may impose any reasonable and lawful charge for holding and disbursing such funds. Nothing contained herein shall cause Beneficiary to be deemed a trustee of the reserve or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary.

23. Receiver

Upon taking possession of all or any part of the Property, Receiver or Trustee or Beneficiary or Beneficiary's representative may:

- 23.1** Use, operate, manage, control and conduct business on the Property and make expenditures for such purposes and for maintenance and improvements as in its judgment are necessary;
- 23.2** Collect all rents, revenues, income, issues and profits from the Property and apply such sums to the expenses of use, operation, management, maintenance and improvements.
- 23.3** At its option, complete any construction in progress on the Property, and in that connection, pay bills, borrow funds, employ contractors and make any changes in plans and specifications as it deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, including without limitation any disbursements made by Beneficiary or Trustee pursuant to this Section, a Receiver may borrow, or Beneficiary or Trustee may advance, such sums upon such terms as it deems necessary for the purposes stated in this Section, and repayment of such sum shall be secured by this Trust Deed. Amounts borrowed or advanced shall bear interest at the same rate as the Note secured hereby and shall be payable by Grantor to Beneficiary or Trustee on demand.

24. Application of Proceeds

All proceeds realized from the exercise of the rights and remedies under this Trust Deed shall be applied as follows:

- 24.1** To pay the costs of exercising such rights and remedies, including the costs of any sale, the costs and expenses of any Receiver, and the costs and expenses provided for in Section 24.6.
- 24.2** To pay all other amounts owed by Grantor, payment of which is secured by this Trust Deed; and
- 24.3** The surplus, if any, shall be paid to the clerk of the court in the case of a judicial foreclosure, or otherwise to the person or persons legally entitled thereto.

25. General Provisions

25.1 Reconveyance Upon Payment

Upon written request of Beneficiary stating that all sums secured hereby have been paid, surrender of this Trust Deed and the Note to Trustee for cancellation and retention and payment of its fees, Trustee shall reconvey, without warranty, the Trust Property then held hereunder. The recitals in any reconveyance executed under this Trust Deed of any matters of facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as ***"the person or persons legally entitled thereto."***

25.2 Substitute Trustee

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

25.3 Trust Deed Binding on Successors and Assigns

This Trust Deed shall be binding on and inure to the benefit of the successors and assigns of Grantor, Trustee and Beneficiary.

25.4 Notice

Any notice under this Trust Deed shall be in writing. Any notice to be given or document to be delivered under this Trust Deed shall be effective when either delivered in person or deposited as registered or certified mail, postage prepaid, addressed to the party at the address first stated in this Trust Deed; provided that any notice pursuant to exercise of the Trustee's power of sale in the event of default shall be sufficient if such notice complies with all provisions of Oregon law applicable to exercise of such powers of sale. Any party may by notice to the others designate a different address.

25.5 Indemnity

Grantor shall hold Beneficiary and Trustee harmless from any and all loss and expense, including but not limited to attorneys' fees and court costs, in any suit, action or

proceeding or any appeal therefrom brought against Trustee or Beneficiary by a third party resulting from or attributable to Beneficiary's ownership of the Note or Trustee's interest under this Trust Deed.

25.6 Expenses and Attorneys' Fees

In the event that Beneficiary or Trustee shall take any action, judicial, bankruptcy, or otherwise, to enforce the Note or any provision of this Trust Deed or if Beneficiary or Trustee shall be required to appear in any proceeding to protect and maintain the priority of Trustee's title to the Trust Property, Trustee or Beneficiary (or both) shall be entitled to recover from Grantor all expenses which it may reasonably incur in taking such action, including but not limited to costs incurred in searching records, the cost of title reports and surveyors' reports, appraisers and other experts, the costs of environmental assessments and its attorneys' fees, whether incurred in a suit, arbitration or action or any appeals from a judgment or decree therein or petition for review, or in connection with nonjudicial action.

25.7 Governing Law and Venue

The parties hereby submit to jurisdiction in Klamath County, Oregon and agree that any and all disputes arising out of or related to this Trust Deed shall be litigated exclusively in the Circuit Court for Klamath County, Oregon and in no federal court or court of another county or state. Each party to this Trust Deed further agrees that pursuant to such litigation, the party and the party's officers, employees, and other agents shall appear, at that party's expense, for deposition in Klamath County, Oregon.

25.8 Time of Essence

Time is of the essence of this Trust Deed.

25.9 Severability

If any provision of this Trust Deed shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provisions of this Trust Deed, but this Trust Deed shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

25.10 Entire Agreement

This Trust Deed and the Note contain the entire agreement of the parties with respect to the matters covered, and no other previous agreement, statement or promise made by any party to this Trust Deed which is not contained in its terms or in the terms of the Note shall be binding or valid.

25.11 Rule of Construction

Any rule of construction interpreting this instrument against its drafter shall be inapplicable.

25.12 Employment of Attorneys

The law firm of Saalfeld Griggs PC of Salem, Oregon, has been employed by Beneficiary to prepare the documents in conjunction with this Trust Deed, and such attorneys represent only the Beneficiary in this matter.

Grantor is hereby encouraged to seek and obtain legal counsel prior to signing this Trust Deed.

IN WITNESS WHEREOF, Grantor has caused this Trust Deed to be executed as of the day first above written.

GRANTOR:

Katherine N. Fletcher
Katherine N. Fletcher

STATE OF Oregon)
)
COUNTY OF Deschutes) ss

I certify that I know or have satisfactory evidence that Katherine N. Fletcher is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 31 day of March, 2011.



Susan Sidoti
(Signature of Notary)

Susan Sidoti
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Oregon, residing at
My appointment expires 2-13-15