After Recording Return To:

Symetra Life Insurance Company
Mortgage Loan Department
PO Box 84066
Seattle, WA 98124-8466
Ref: 3557

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

This Trust Deed, Security Agreement, Assignment of Rents and Fixture Filing ("Trust Deed") made as of this 20th day of December, 2012 by LANZ PROPERTIES, LLC, an Oregon limited liability company ("**Grantor**"), whose address is 3025 West 7th Place, Eugene, OR 97402, to CHICAGO TITLE INSURANCE, a Nebraska corporation ("**Trustee**"), whose address is c/o Chicago Title Company of Oregon, 8585 SW Cascade Avenue, Suite 200, Beaverton, OR 97008, to and for the benefit of SYMETRA LIFE INSURANCE COMPANY, a Washington corporation ("**Beneficiary**"), whose address is PO Box 84066, Seattle, WA 98124-8466 Attn: Mortgage Loan Department.

Grantor hereby irrevocably grants, bargains, sells, conveys, warrants, assigns, pledges, hypothecates and grants a security interest in, and confirms to the Trustee in trust, and to its substitutes or successors forever, for the benefit and security of Beneficiary, with power of sale and right of entry and possession, all right, title and interest of Grantor, whether now owned or hereafter acquired, in or to the property and rights situated in the County of Washington, State of Oregon, more particularly described as follows:

SEE ATTACHED *EXHIBIT A* WHICH IS INCORPORATED HERE BY THIS REFERENCE FOR A FULL LEGAL DESCRIPTION OF THE REAL PROPERTY (the "**Premises**")

TOGETHER WITH all rights, estates, privileges and appurtenances thereunto belonging or in any way pertaining to the Premises, including without limitation, (a) all land lying in streets and roads adjoining the Premises, and all access rights, rights of way and easements pertaining to the Premises, (b) all the lands, tenements, privileges, reversions, remainders, and water, water rights and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances, (c) all buildings, structures, improvements, fixtures, materials, machinery, fittings and other property now or hereafter attached to or erected on or used in the operation of the Premises which shall be deemed part of the realty and not severable wholly or in part without material injury to the Premises (including, but not limited to, heating and incinerating apparatus and equipment, boilers, generating equipment, piping and plumbing fixtures, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus, carpeting, elevators, escalators, partitions, window shades, blinds, screens, furnishings of public spaces, halls and lobbies, and shrubbery and plants), (d) all

rents, issues, revenues, income, and profits of the Premises, all existing and future leases of the Premises (including extensions, renewals and subleases), all agreements for use and occupancy of the Premises (all such leases and agreements whether written or oral, are hereafter referred to as the "**Leases**"), and all guaranties of tenants' performance under 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 or hereafter due under the Leases or from or arising out of the Premises, all proceeds derived from the sale, conveyance or transfer of the Premises or any part thereof, including without limitation proceeds payable as a result of a tenant's exercise of an option to purchase the Premises, all proceeds derived from the termination or rejection of any Lease in a bankruptcy or other insolvency proceeding, and all proceeds from any rights and claims of any kind which Grantor may have against any tenant under the Leases or any occupants of the Premises (all of the above are hereafter collectively referred to as the "**Rents**"), subject to the license given to the Grantor in the Loan Documents to collect and apply the Rents, (e) goods, appliances, equipment, inventory, furniture, furnishings, building materials and supplies and other properties of whatsoever nature, now or hereafter located in or used or procured for use in connection with the Premises; (f) contracts, agreements, permits, plans, specifications, drawings, surveys, engineering reports and other work products relating to the design, construction, supply or installation of the existing or any future improvements or fixtures on the Premises, any and all rights of Grantor in, to or under any architect's contracts, engineer's contracts or construction contracts relating to the design or construction of the existing or any future improvements on the Premises, and any performance and/or payment bonds issued in connection therewith, (g) all trademarks, trade names, copyrights, computer software and other intellectual property used by Grantor in connection with the Premises; (h) all compensation, awards, damages, causes of action and proceeds (including insurance proceeds and any interest on any of the foregoing) arising out of or relating to a taking or damaging of the Premises by reason of any public or private improvement, condemnation proceeding, fire, earthquake or other casualty, injury or decrease in the value of the Premises, and any claims, causes of action, and rights arising from damage to the Mortgaged Property, including without limitation, claims for construction defects, (i) all returned premiums or other payments on any insurance policies pertaining to the Premises and any refunds or rebates of taxes or assessments on the Premises, (j) all contracts and agreements pertaining to or affecting the Premises including management and operating agreements, (k) all commitments or agreements, now or hereafter in existence, which will provide Grantor with proceeds to satisfy the Note and the right to receive the proceeds due under such commitments or agreements including refundable deposits and fees, and (l) all additions, accessions, replacements, substitutions, and proceeds of the property described in this section and any after acquired interest therein. All of the foregoing property, interests and rights together with the Premises are collectively referred to herein as the "**Mortgaged Property**").

Grantor does hereby bind itself, its successors and assigns to warrant and forever defend the Mortgaged Property unto said Trustee, his/her substitutes or successors and assigns forever, against the claims, or claims, of all persons claiming or to claim the same or any part thereof.

FOR THE PURPOSE OF SECURING the performance and discharge of all covenants and agreements contained in this Trust Deed and the other Loan Documents, and the full and prompt payment when due of all indebtedness of Grantor to Beneficiary (the "**Loan**") under that certain Real Estate Note of even date herewith (the "**Note**") in the principal sum of TWO MILLION NINE HUNDRED THOUSAND AND NO/100 U.S. DOLLARS ($2,900,000.00) executed by Grantor, payable to the order of Beneficiary, bearing interest at the rate specified therein, and any extensions, modifications or renewals thereof; the last

installment under the Note being due on the 1st day of January, 2038, which is the date of maturity of the debt secured by this instrument.

Should all of the covenants and agreements herein and in the other Loan Documents contained be fully performed, and all the payments due on the indebtedness be fully paid and discharged as the same shall become due and payable, then this conveyance shall become null and void and of no further force and effect, and shall be released at the expense of Grantor by the holder hereof.

For the purposes of this Trust Deed, the **"Loan Documents"** shall mean the Note, this Trust Deed, any separate Assignment of Leases and Rents (the **"Assignment of Leases and Rents"**) and the other documents and instruments evidencing or securing the Loan.

GRANTOR REPRESENTS, WARRANTS TO AND AGREES WITH BENEFICIARY AS FOLLOWS:

1. **Personal Property Security**. Grantor hereby also grants to Beneficiary a security interest in that portion of the Mortgaged Property which is not real property to secure the payment and performance of all of Grantor's indebtedness and obligations under the Loan Documents.

2. **Security Agreement**. This Trust Deed shall also be a Security Agreement as defined in the Oregon Uniform Commercial Code ("UCC") or other law applicable to the creation of liens or security interests in personal property with respect to the property, rights and interests which are not real property, which are either referred to or described herein, or in any way connected with the use and enjoyment of the Premises, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be the remedies specified in the UCC and at law. Grantor hereby authorizes Beneficiary to file one or more financing statements (and amendments and continuations thereof), under the UCC with Grantor as "Debtor" and Beneficiary as "Secured Party" (as those terms are defined in the UCC) and their respective addresses are set forth in the preamble of this instrument, and describing the Mortgaged Property as collateral, to perfect or give public notice of the security interest granted herein. This grant of a security interest and filing of a financing statement in the records where interests in personal property are perfected shall not be construed to derogate from or impair the lien or provisions of or the rights of Beneficiary under this Trust Deed with respect to any Mortgaged Property described herein which is real property or which the parties have agreed to treat as real property.

3. **Performance of Obligations**. Grantor shall pay promptly all sums due to Beneficiary pursuant to the Loan Documents and interest thereon without deductions or credit for taxes, insurance and other charges paid by Grantor, and strictly perform, discharge, comply with and observe all the terms and conditions of the Loan Documents.

4. **Warranty of Title**. Grantor represents and warrants to and covenants with Beneficiary that (a) Grantor has good and marketable title to an indefeasible fee simple estate in the Premises, (b) the Premises are free and clear of all liens, encumbrances, easements, assessments, security interest, claims or defects of any kind except easements of record, and recorded declarations, restrictions, reservations and covenants, if any, set forth in the schedule of exceptions to coverage approved by Beneficiary in the title insurance policy insuring Beneficiary's interest in the Premises (the **"Permitted Exceptions"**) and real estate taxes for the current year, (c) neither the Permitted Exceptions nor the real estate taxes are delinquent or in default, and (d) Grantor has the full power, lawful authority and right to convey the Mortgaged Property to Trustee for

the benefit of Beneficiary, and the right to grant a security interest in that portion of the Mortgaged Property that is not real property. Grantor will warrant and defend title to the Mortgaged Property and will defend the validity and priority of the lien of this Trust Deed and the security interest granted herein against any claims and demands of every person or entity whatsoever, except the Permitted Exceptions.

5. **Prohibited Liens**. Grantor shall not permit any governmental or statutory liens (including tax and mechanic's and materialmen's liens) to be filed against the Mortgaged Property except for property taxes and assessments not yet due and liens expressly permitted by the Loan Documents.

6. **Payment of Taxes, Fees and Other Liens and Assessments**. Grantor shall pay all filing, registration and recording fees, stamp and documentation taxes, and other fees, taxes, duties, imposts, and other charges incident to, arising from, or in connection with the preparation, execution, delivery or recording of any Loan Document and disbursement or administration of the Loan. Grantor shall also pay all property taxes and any assessments at least ten (10) days prior to delinquency unless otherwise agreed to in writing by Beneficiary. Grantor shall have the right to contest any real property tax or special assessment on the Premises in good faith diligently pursued by appropriate proceedings so long as (a) no default has occurred and is continuing under the Note, this Trust Deed or any of the other Loan Documents; (b) Grantor makes any payment or deposit or posts any bond as and when required as a condition of pursuing such contest; (c) Grantor commences such contest prior to such tax or assessment becoming delinquent, and continuously pursues same in good faith with due diligence; (d) such contest or any bond furnished by Grantor stays the foreclosure and enforcement of any lien securing the payment of any such tax or assessment; and (e) Grantor pays any tax or assessment within ten (10) days following the resolution of such contest. All other encumbrances, charges and liens affecting the Mortgaged Property, including mortgages and trust deeds, whether prior to or subordinate to the lien of this Trust Deed, shall be paid when due and shall not be in default. On request Grantor shall furnish evidence of payment of these items acceptable to Beneficiary.

7. **Maintenance; No Waste**. Grantor shall protect and preserve the Mortgaged Property and maintain it in good condition and repair, ordinary wear and tear from proper use alone excepted. Grantor shall not commit or permit any waste of the Mortgaged Property or permit any condition to exist which will (i) increase the risk of fire or other hazard to the Mortgaged Property or (ii) invalidate or allow cancellation of any insurance policy covering the Mortgaged Property.

8. **Alterations, Removal and Demolition**. Grantor shall not, nor permit tenants or others to, structurally alter, remove or demolish any building or improvement on the Mortgaged Property without Beneficiary's prior written consent. Grantor shall not remove any fixture or other item or property which is part of the Mortgaged Property without Beneficiary's prior written consent unless the fixture or item of property is replaced immediately by an article of equal value and utility owned by Grantor free and clear of any lien or security interest except this Trust Deed.

9. **Completion, Repair and Restoration**. Grantor shall, at its own cost, promptly complete or repair and restore in good workmanlike manner any building or improvement on the Mortgaged Property which may be constructed, damaged or destroyed.

10. **Compliance with Laws**. The Premises is zoned for Grantor's proposed use, and are in present compliance with all zoning and subdivision laws, regulations, and ordinances applicable thereto. Grantor

shall insure that at all times the Premises constitutes one or more legal lots capable of being conveyed without violation of any subdivision or platting laws, ordinances, regulations or other applicable laws relating to the division or separation of real property. Grantor shall comply with all laws, ordinances, regulations, codes, rules, covenants, declarations, conditions, and restrictions affecting the Mortgaged Property and shall not commit or permit any act upon or concerning the Mortgaged Property in violation of any such laws, ordinances, regulations, codes, rules, covenants, declarations, and restrictions. Without limiting the generality of the foregoing, Grantor represents and covenants that the Mortgaged Property is in present compliance with, and in the future shall fully comply with, as applicable, the Americans With Disabilities Act of 1990 (42 USC 12101, et seq.), as amended from time to time, and the rules and regulations adopted pursuant thereto.

11. **Impairment of Property**. Grantor shall not, without Beneficiary's prior written consent, change the general nature of the use of the Mortgaged Property, initiate, acquire or permit any change in any public or private restrictions (including a zoning reclassification) limiting the uses which may be made of the Mortgaged Property, or take or permit any action which would impair the value of the Mortgaged Property or Beneficiary's lien or security interest in the Mortgaged Property.

12. **Inspection of Property**. Beneficiary or its authorized representative shall have the right at all reasonable times after reasonable notice to inspect the Mortgaged Property including its condition and use.

13. **Grantor's Defense of Property**. Grantor shall appear in and defend (with counsel reasonably acceptable to Beneficiary) any action or proceeding which may affect the Mortgaged Property or the rights or powers of Beneficiary or Trustee.

14. **Beneficiary's Right to Protect Property**. Beneficiary may commence, appear in, and defend any action or proceeding which may affect the Mortgaged Property or the rights or powers of Beneficiary or Trustee. Beneficiary may pay, purchase, contest or compromise any encumbrance, charge or lien not listed as a Permitted Exception which in its judgment appears to be prior or superior to the lien of this Trust Deed. If Grantor fails to make any payment or do any act required under the Loan Documents, including without limitation, payment of taxes and assessments and maintenance of insurance on the Mortgaged Property, Beneficiary, without any obligation to do so, without notice to or demand upon Grantor and without releasing Grantor from any obligations under the Loan Documents, may make the payment or cause the act to be performed in such manner and to such extent as Beneficiary may deem necessary to protect its interest in the Mortgaged Property. Beneficiary is authorized to enter upon the Mortgaged Property for such purposes. In exercising any of these powers Beneficiary may incur such expenses, in its absolute discretion, it deems necessary, all of which shall be payable by Grantor and secured by this Trust Deed.

15. **Repayment of Beneficiary's Expenditures**. Grantor shall pay within 10 days after written notice from Beneficiary all sums expended by and all costs and expenses incurred by Beneficiary in taking any actions pursuant to the Loan Documents including but not limited to attorneys' fees, appraisal and inspection fees, environmental consultants and the fees for title reports. Expenditures by Beneficiary shall bear interest from the date of such advance or expenditure at the default rate specified in the Note until paid in full, shall constitute advances made under this Trust Deed and shall be secured by and have the same priority as the lien of this Trust Deed. If Grantor fails to pay any such advances, expenditures, costs and expenses with interest thereon, Beneficiary may, at its option, without foreclosing the lien of this Trust

Deed, commence an independent action against Grantor for the recovery of the expenditures and advance any undisbursed loan proceeds to pay the expenditures.

16. **Due on Sale or Transfer; Change of Control.**

16.1 **General Rule – Prohibition on Conveyance or Change or Control.** Grantor understands that Beneficiary will have the opportunity to examine, and is entitled to rely upon, the creditworthiness, financial strength, reputation, experience and managerial ability of Grantor (and its owners and managers) with respect to owning, leasing and operating the Property in approving the Loan to Grantor, and will continue to rely on Grantor (and its owners and managers) as a means of preserving the value of the Property as security for the Loan. If (i) the Property or any part thereof or interest therein is sold, transferred, leased (other than a space lease without option to purchase), conveyed, traded, exchanged, assigned, or otherwise alienated ("**Conveyance**"), or (ii) there is a Change of Control of Grantor (defined below) without the prior written consent of Beneficiary, then, except as otherwise expressly provided below, and regardless of whether or not an event of default shall otherwise have occurred and be continuing under the Note or this Deed of Trust or any other Loan Document, Beneficiary may, at its option, declare the then outstanding principal balance evidenced by the Note plus accrued interest thereon, and any applicable late fee or prepayment fee or premium, immediately due and payable, or, at its sole option, it may consent to the Conveyance or Change of Control in writing and may increase the interest rate on the Note to the interest rate on which Beneficiary would then commit to make a first priority mortgage loan of similar size and quality with like terms and security, as determined by Beneficiary in its sole discretion, and impose whatever other terms and conditions it may deem necessary to compensate it for or protect it from the increased risk resulting from the Conveyance or Change of Control. Any increase in interest rate shall entitle Beneficiary to increase monthly payments under the Note so that the increased monthly payments will fully amortize the outstanding balance of the indebtedness over the unexpired amortization term of the Note. Any joint venture agreement, partnership agreement, declaration or revocation of trust, real estate installment sale contract, option agreement or other agreement (other than a space lease without option to purchase) whereby any other person or entity other than Grantor may become entitled, directly or indirectly, to the possession or enjoyment of the Property, or the income or other benefits of the Property, shall, in each case, be deemed to be a Conveyance or Change of Control for the purposes of this paragraph, and shall require prior written consent from the Beneficiary.

16.2 **"Change of Control" Defined.** Except as otherwise expressly provided herein, a "**Change of Control**" for purposes hereof means the transfer over the term of the Loan of more than 25% of the equity interests, directly or indirectly, in Grantor, or any change in the identity of the general partner(s) of any general or limited partnership that is the Grantor. If Grantor consists of more than one entity, such 25% limitation shall apply to each such entity.

16.3 **Transfer of Interest for Estate Planning Purposes.** Natural persons may, for estate planning purposes, transfer their direct or indirect interest in Grantor (other than general partnership interests), notwithstanding that such transfer may be a Change of Control, if such transfer is to immediate family members or lineal descendants, or to entities controlled by or trusts for the benefit of, immediate family members or lineal descendants of the transferor, provided each of the following conditions have been satisfied: 1) There have been no events of defaults under the Loan Documents, 2) Beneficiary receives written notice of the transfer along with all appropriate documentation of the transfer satisfactory to Beneficiary within 30 days after the transfer, 3) the liability of Grantor under the Note and of any guarantors under their guaranty of Grantor's obligations shall remain in full force and effect, 4) managerial control over

the Property and the Grantor shall remain acceptable to Beneficiary; and 5) Grantor shall pay all of Beneficiary's reasonable out of pocket costs associated with the transfer plus a $500 administrative fee.

16.4. **Death of Guarantor or General Partner.** The death of (i) a natural person who is a guarantor of the Loan whether or not such person owns any interest in Grantor, or (ii) a general partner of a partnership that is the Grantor, shall constitute a default under the Loan, unless in the case of (i), the obligations of such decedent are assumed in writing by a replacement guarantor satisfactory to Beneficiary within ninety (90) days after such guarantor's death, or in the case of (ii), Beneficiary must be satisfied with any replacement general partner, in terms of such general partner's management experience and creditworthiness, or Beneficiary must otherwise be provided with a new guaranty from a satisfactory guarantor in substitution for the obligations of the deceased general partner. In addition, Lender will not unreasonably withhold its consent to an additional extension of 90 days to the 90 day period referenced above for the delivery of a satisfactory replacement guaranty upon the death of a guarantor. Any change in the day-to-day management of the Property or Grantor resulting from a death as described herein shall be subject to Beneficiary's approval. In addition, Grantor shall pay all of Beneficiary's reasonable out of pocket costs associated with the foregoing transaction plus an administrative fee of $1,000.

16.5. **Other Transfers of Interest on Death.** The transfer, on the death of a natural person, of an interest in Grantor, whether a Change of Control or not, where such person is not the Grantor nor a Guarantor nor a general partner of Grantor, shall not constitute a Change of Control or require the notification to or consent of Beneficiary, or payment of any fee.

16.6 **No Discharge of Obligated Parties.** No Conveyance or Change of Control or other transfer of any interest in the Property shall operate to discharge or diminish in any way the liability of Grantor or any guarantor with respect to the Loan Documents except as otherwise expressly provided herein.

16.7. **Assumption of Loan.** Notwithstanding the foregoing provisions, and provided no event of default has occurred and is continuing under the Note, this Deed of Trust or any of the other Loan Documents, Grantor shall have a one-time only right upon prior written notice to Beneficiary and payment of all Beneficiary's expenses plus an assumption fee equal to one percent (1%) of the original principal amount of the Note to convey the entire interest in the Premises held by all persons comprising Grantor to a transferee whose creditworthiness, financial strength, reputation, experience and property management ability with respect to the ownership, operation and leasing of properties similar to the Property (together with that of any new proposed guarantors of the Loan) are equal to or greater than Grantor and the original guarantors in the judgment of Beneficiary, which approval shall not be unreasonably withheld or delayed. If Beneficiary withholds its approval because of the proposed transferee's or proposed new guarantors' lack of creditworthiness, reputation, experience, property management ability or financial strength or other reasonable basis which leads Beneficiary to reasonably believe the Loan or the security would be impaired, Beneficiary shall not be deemed to have unreasonably withheld its approval. Any transferee must fully assume Grantor's obligations under the Note and the Loan Documents, and Grantor and any guarantors of the Loan shall remain fully bound after the transfer; provided that upon Beneficiary's approval of a conveyance of the Mortgaged Property to a transferee unaffiliated with Grantor, Beneficiary's acceptance of any required replacement guaranty(ies) and the assumption of the Loan as provided herein, Grantor and any guarantors shall be released from liability for repayment of the Loan. Grantor shall pay for an endorsement to Beneficiary's title policy insuring that this Deed of Trust remains a first and prior lien on the Property and shall pay all expenses and fees, including outside counsel legal fees, incurred in connection with the transfer and assumption. Any approval given by Beneficiary shall not constitute approval of any other or future Conveyance or Change of Control. If ownership of the Property or any part thereof or interest therein becomes vested in a person or an entity other than Grantor, whether or not Beneficiary has given written

approval, Beneficiary may deal with such successor or successors in interest with reference to this Deed of Trust and the Loan, in the same manner as with Grantor, without in any way diminishing or discharging Grantor's obligations. Any request to Beneficiary to grant its consent to a transfer of the Property and assumption of the Loan shall be in writing and shall be accompanied by a Processing Fee of $3500 which shall be applied to the loan assumption fee if the assumption transaction closes but which shall otherwise be retained by Beneficiary.

17. **No Other Encumbrance; Due on Encumbrance**. Grantor shall not create or permit to exist on the Mortgaged Property any mortgage, lien, encumbrance, pledge or security interest in favor of any person other than Beneficiary (an "**Encumbrance**"), and should the Mortgaged Property or any part thereof at any time be or become subject to the lien of any other mortgage or trust deed or subject to any other encumbrance, pledge, or security interest (except with the prior written consent of Beneficiary), the whole of the principal and interest secured hereby shall, at the option of the Beneficiary, become immediately due and payable. Grantor agrees that this Trust Deed may be modified, varied, extended, renewed, or reinstated at any time by agreement between Grantor and Beneficiary, without notice to, or the consent of, any subordinate mortgagee, and any such modification, variance, extension, renewal, or reinstatement shall be binding upon such subordinate mortgagee with the same force and effect as if said subordinate mortgagee had consented thereto. This clause shall be self-operative, and no further instrument of subordination shall be required from any subordinate mortgagee.

18. **Insurance**. Without limiting the generality of any other provision contained in this Trust Deed, Grantor shall procure and continuously maintain while the Loan is outstanding and this Trust Deed remains in effect all risk property insurance on the Mortgaged Property with premiums prepaid providing 100% replacement cost coverage on an agreed amount basis and insuring against loss by fire, explosion lightning, hail, windstorm, vandalism and other risks covered by the broadest form of extended coverage available from time to time, loss of rents/income or business interruption (if owner occupied) coverage in amounts sufficient to compensate Grantor for all rents and income from the Mortgaged Property during a period of one year, earthquake to the extent required by Beneficiary now or in the future in the exercise of its business judgment in light of commercial real estate practices by institutional lenders existing in the general vicinity where the Mortgaged Property is located at the time the insurance is issued, and coverage for other risks and perils as may be reasonably required by Beneficiary from time to time. If the Mortgaged Property is ever designated as having special flood hazards or any other designation which would make the Mortgaged Property subject to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994, each as amended, replaced or supplemented from time to time, or any similar law, Grantor shall do everything reasonably necessary to comply with the requirements of said law and related regulations in order that flood insurance will be available to Grantor, and to obtain and maintain for the benefit of Beneficiary such an insurance policy in form and content satisfactory to Beneficiary. Grantor shall also maintain occurrence form commercial general liability insurance against bodily injury and death or property damage occurring in, upon or about, or resulting from, the Mortgaged Property or Grantor's use and occupancy of the Mortgaged Property, with limits and deductibles acceptable to Beneficiary, but in no event less than $2,000,000 combined single limit per occurrence and $2,000,000 general aggregate, naming Beneficiary as an additional insured on a primary/non-contributory basis (CG2018). No approval by Beneficiary of the limits, type or form of any insurance may be construed to be a representation or warranty by Beneficiary of its sufficiency for the purposes of Grantor. Grantor has consulted its own insurance professional for advice on adequate insurance for Grantor's purposes. All insurance shall have limits and deductibles satisfactory to Beneficiary and be

issued by companies licensed and admitted in Oregon satisfactory to Beneficiary having an A.M. Best rating of A VI, or better, and with lender's loss payable clauses (438BFU) in favor of and in form satisfactory to Beneficiary. At least 30 days prior to the expiration of the term of any insurance policy, Grantor shall furnish Beneficiary with written evidence of renewal or issuance of a satisfactory replacement policy with evidence of payment of the premium thereon. If requested, Grantor shall deliver copies of all policies with all endorsements and amendments to Beneficiary. In the event of foreclosure of this Trust Deed all interest of Grantor in any insurance policies pertaining to the Mortgaged Property and in any claims against the policies and in any proceeds due under the policies shall pass to Beneficiary.

OREGON INSURANCE WARNING: Unless Grantor provides Beneficiary with evidence of the insurance coverage as required by our contract or loan agreement, Beneficiary may purchase insurance at Grantor's expense to protect its interest. This insurance may, but need not, also protect Grantor's interest in the Property. If the Property becomes damaged, the coverage that Beneficiary purchases may not pay any claim Grantor makes or any claim made against Grantor. Grantor may later cancel this coverage by providing evidence that Grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance purchased by Beneficiary. The cost of this insurance may be added to the balance of the Loan and will bear interest at the then-applicable interest rate payable under the Note. The effective date of the coverage may be the date Grantor's prior coverage lapsed or the date Grantor failed to provide proof of coverage. The coverage Beneficiary purchases may be considerably more expensive than insurance Grantor can obtain on its own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

19. **Condemnation and Insurance Proceeds**. All insurance proceeds and condemnation awards with respect to the Mortgaged Property are assigned to Beneficiary as additional security for the Loan. Grantor shall give immediate notice to Beneficiary of any condemnation proceeding, or loss or damage to the Mortgaged Property in excess of $25,000 (a "**Material Loss**"). Grantor shall have the right to settle and receive the proceeds payable with respect to a condemnation, loss or damage except for a Material Loss. With respect to a Material Loss, Grantor authorizes Beneficiary, at Beneficiary's option, to make a claim for and enter into a compromise or settlement with respect to any proceeds payable as a result of condemnation, loss or damage. Beneficiary may in any case, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any reasonable compromise or settlement of its rights in connection with any casualty loss or any taking or damage. All proceeds payable as a result of a Material Loss shall be paid to Beneficiary and applied to repair or restore the Mortgaged Property, provided no event of default has occurred and is continuing under this Trust Deed, and such repair or restoration is economically feasible and the security of this Trust Deed is not impaired. Upon a Material Loss to such an extent as would make repair uneconomical, or if a default under this Trust Deed shall have occurred and be continuing at the time of such condemnation or loss, or if less than two years remains on the unexpired term of the Note, Beneficiary shall, at its option, after deducting its expenses including attorney's fees, (a) apply all or part of the proceeds against the sums owed under the Loan Documents including the Note whether or not (i) the sums are actually due or (ii) the security for the Note is impaired, and without affecting the due dates or amount of payments thereafter due under the Note, or (b) release all or any part of the proceeds to Grantor, or (c) permit all or any part of the proceeds to be used for repair and restoration of the Mortgaged Property on such conditions as Beneficiary may impose including evidence of sufficient funds to complete the work, approval of the plans and specifications and periodic disbursement of the proceeds during the course of repair and restoration. Grantor agrees to pay all Beneficiary's costs and reasonable attorneys' fees incurred in connection with any actions taken by Beneficiary pursuant hereto.

20. **Leases**. Grantor shall fully comply with all of the terms, conditions and provision of the Leases so that no breach shall occur and do all that is necessary to preserve all the Leases in force. Any prepaid rent, proceeds or damages resulting from a tenant's early termination or default under any such Lease, at Beneficiary's option, shall be paid to Beneficiary and applied against sums owed under the Loan Documents even though such sums may not be due and payable. Except for property taxes and assessments, Grantor shall not permit any lien to be created against the Mortgaged Property which may be or may become prior to any Lease. If the Mortgaged Property is partially condemned or suffers a casualty, Grantor shall promptly repair and restore the Mortgaged Property in order to comply with the Leases.

21. **Assignment of Leases and Rents; Grantor's Revocable License to Collect**. Grantor hereby assigns to Beneficiary all Grantor's interest in the Rents and Leases. This assignment is intended as a present, absolute and unconditional assignment of the Leases and Rents and not an assignment for security. This assignment shall be subject to the terms and conditions of any separate Assignment of Leases and Rents, whenever executed, in favor of Beneficiary and covering the Mortgaged Property. Unless otherwise provided in any separate Assignment of Leases and Rents, and so long as Grantor is not in default under the Loan Documents, Grantor shall have a revocable license to collect the Rents as they become due. Grantor shall use the Rents to pay normal operating expenses for the Mortgaged Property and payments required under the Loan Documents. No Rents shall be collected more than one (1) month in advance of the due date. Grantor warrants that it has made no prior assignment of the Rents or Leases and will make no subsequent assignment without the prior written consent of Beneficiary. Grantor's license to collect the Rents shall not constitute Beneficiary's consent to the use of cash collateral in any bankruptcy proceeding.

22. **Beneficiary's Right to Collect Rents**. If a default has occurred and is continuing under the Loan Documents and has not been cured after the expiration of any applicable notice and cure period specified in the Loan Documents, Beneficiary or its agents, or a court appointed receiver, shall have the complete right, power and authority to collect the Rents without further notice to Grantor. In doing so, Beneficiary may (a) evict tenants for nonpayment of rent, (b) terminate in any lawful manner any tenancy or occupancy, (c) lease the Mortgaged Property in the name of the then owner on such terms as it may deem best and (d) institute proceedings against any tenant for past due rent. The Rents received shall be applied to payment of the costs and expenses of collecting the Rents, including a reasonable fee to Beneficiary, a receiver or an agent, operating expenses for the Mortgaged Property and any sums due or payments required under the Loan Documents, in such amounts as Beneficiary may determine. Any excess shall be paid to Grantor, however, Beneficiary may withhold from any excess a reasonable amount to pay sums anticipated to become due which exceed the anticipated future Rents. Beneficiary's failure to collect or discontinuing collection at any time shall not in any manner affect the subsequent enforcement by Beneficiary of its rights to collect the Rents. The collection of the Rents shall not cure or waive any default under the Loan Documents. Beneficiary or a receiver shall have no obligation to perform any of Grantor's obligations under the Leases. In exercising its rights under this section Beneficiary shall be liable only for the proper application of and accounting for the Rents actually collected by Beneficiary or its agents. Any Rents paid to Beneficiary or a receiver shall be credited against the amount due from the tenant under the Lease. In the event any tenant under the Lease becomes the subject of any proceeding under the Bankruptcy Code or any other federal, state or local statute which provides for the possible termination or rejection of the leases assigned hereby, Grantor covenants and agrees that in the event any of the Leases are so rejected, no damages settlement shall be made without the prior written consent of Beneficiary; any check in payment of damages for rejection or termination of any such Lease will be made payable to both the Grantor and

Beneficiary; and Grantor hereby assigns any such payment to Beneficiary and further covenants and agrees that upon request of Beneficiary, it will duly endorse to the order of Beneficiary any such check, the proceeds of which will be applied to any portion of the indebtedness secured hereunder in such manner as Beneficiary may elect.

23. **Fixture Filing**. To the extent permitted by applicable law, this Trust Deed shall also serve as a financing statement filed for record in the real estate records as a fixture financing statement pursuant to the UCC, covering any part of the Mortgaged Property which is now or may hereafter become fixtures with respect to the Mortgaged Property. For the purpose of this fixture filing, Grantor shall be the "Debtor" and the Beneficiary shall be the "Secured Party" (as defined in the UCC) and the addresses of Grantor and Beneficiary are as set forth in the preamble of this Trust Deed, and the collateral shall be any fixtures on the Mortgaged Property.

24. **Late Charge**. In the event that any payment or portion thereof is not paid within five (5) days commencing with the date it is due, Beneficiary may collect, and Grantor agrees to pay a "late charge" of 10% of the delinquent payment, but not to exceed the highest such charge permitted by applicable law. This late charge shall apply individually to each payment past due. Payment of a late charge shall not relieve the Grantor of the obligation to make payments on or before the date on which they are due, or cure any default, or in any way affect the exercise of Beneficiary's remedies.

25. **Default; Remedies**. TIME IS OF THE ESSENCE HEREOF. If Grantor fails to pay any installment of principal and interest on the Note within ten (10) days of the date the same is due and payable, or if any material representation or warranty made by Grantor or any guarantor of the Note was materially false or misleading at the time it was made, or if Grantor or any guarantor fails to disclose any material fact, or if Grantor fails to provide or maintain the insurance required by this Trust Deed, or if Grantor fails to maintain the Mortgaged Property in rentable and tenantable condition and state of repair, or if Grantor makes an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against Grantor and not dismissed within sixty (60) days, or if Grantor is dissolved, changes its form of legal entity or ceases doing business as a going concern, or if any guarantor of the Loan revokes, or attempts to revoke, its guaranty, or is the subject of a petition in bankruptcy or other insolvency proceeding, or a Conveyance, Encumbrance or Change of Control occurs without the prior written consent of Beneficiary, or if Grantor fails perform or comply with any other covenant or agreement of Grantor contained in this Trust Deed or in the Loan Documents and not otherwise described in this section for more than thirty (30) days after receipt of written notice specifying such default, THEN AND IN ANY SUCH EVENT (each of such events being an event of default under this Trust Deed and the Note), the whole sum of the indebtedness, at the option of the Beneficiary or the holder of the indebtedness, shall become immediately due and payable, without notice or demand and Beneficiary may exercise its rights and remedies under the Loan Documents and applicable law. Beneficiary may foreclose this Trust Deed in equity as a mortgage or direct the Trustee to foreclose this Trust Deed by advertisement and sale by executing and causing to be recorded a written notice of default and the election to sell the Mortgaged Property to satisfy the indebtedness secured hereby, whereupon the Trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this Trust Deed in the manner provided in ORS 86.740 through 86.795. Should Beneficiary elect to foreclose by advertisement and sale, then after default at any time prior to five days before the date set by the Trustee for the Trustee's sale, Grantor or any other person so privileged by ORS 86.760 may pay to Beneficiary or its successors in interest, respectively, the entire amount then due under the terms of this Trust Deed and the Note secured hereby (including costs and expenses actually incurred in

enforcing the terms of the Loan Documents and attorneys fees not exceeding the amounts provided by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the Trustee. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The Trustee may sell the Mortgaged Property at public auction to the highest bidder for cash payable at the time of sale, either in one parcel or in separate parcels. The Trustee shall deliver to the purchaser its deed in the form required by law conveying the Mortgaged Property without any covenant or warranty express or implied. The recitals in the deed regarding any matters of fact shall be conclusive evidence of the truthfulness thereof and such sale and conveyance shall be conclusive against Grantor, its successors and assigns. Any person, excluding the Trustee, may purchase at the sale. From the proceeds of the sale, Trustee shall pay (1) all expenses of sale, including the Trustee's reasonable attorneys fees, and (2) the Beneficiary the full amount of principal, interest at the default rate specified in the Note, attorneys fees and other charges due and unpaid on the Note and all other indebtedness secured hereby, and (3) to all persons with recorded liens subordinate to this Trust Deed as their interest may appear in order of their priority, and (4) to the Grantor, its successors or assigns. Beneficiary's exercise of any of its rights and remedies shall not constitute a waiver or cure of a default. Beneficiary's failure to enforce any default shall not constitute a waiver of the default or any subsequent default. In the event the Loan Documents are referred to an attorney for enforcement of Beneficiary's rights or remedies, whether or not suit is filed or any proceedings are commenced, Grantor shall pay all Beneficiary's costs and expenses including Trustee's and attorneys' fees (including attorneys' fees for (i) any appeal, (ii) relief from stay motions, cash collateral disputes, assumption/rejection motions and disputes regarding proposed disclosure statements and plans in any bankruptcy proceeding or (iii) for any other judicial or nonjudicial proceeding or arbitration), appraisal and inspection fees and cost of a title report.

26. **Cumulative Remedies**. All Beneficiary's and Trustee's rights and remedies specified in the Loan Documents are cumulative, not mutually exclusive and not in substitution for any rights or remedies available at law, in equity or provided by statute. In order to obtain performance of Grantor's obligations under the Loan Documents, without waiving its rights in the Mortgaged Property, Beneficiary may proceed against Grantor or may proceed against any other security or guaranty for the Note, in such order and manner as Beneficiary may elect. The commencement of proceedings to enforce a particular remedy shall not preclude the discontinuance of the proceedings and the commencement of proceedings to enforce a different remedy.

27. **Sale of Property After Default**. The Mortgaged Property may be sold separately or as a whole, at the option of Beneficiary. In the event of a Trustee's sale of all the Mortgaged Property, Beneficiary hereby assigns its security interest in the personal property security granted hereunder to the Trustee. Beneficiary may also realize on the personal property in accordance with the remedies available under the UCC or at law. In the event of a foreclosure sale, Grantor and the holders of any subordinate liens or security interest waive any equitable, statutory or other right they may have to require marshaling of assets or foreclosure in the inverse order of alienation.

28. **Appointment of Receiver**. In the event of a default and expiration of any applicable notice and cure period specified in the Loan Documents, Beneficiary shall be entitled, without further notice, without bond, and without regard to the adequacy of the Mortgaged Property, to the appointment of a receiver for the Mortgaged Property. The receiver shall have, in addition to all the rights and powers

customarily given to and exercised by a receiver, all the rights and powers granted to Beneficiary by the Loan Documents.

29. **Foreclosure of Tenant's Rights: Subordination**. Beneficiary shall have the right, at its option, to foreclose this Trust Deed subject to the rights of any tenants of the Mortgaged Property. Beneficiary's failure to foreclose against any tenant shall not be asserted as a claim against Beneficiary or as a defense against any claim by Beneficiary in any action or proceeding. Beneficiary at any time may subordinate this Trust Deed to any or all of the Leases except that Beneficiary shall retain its priority claim to any condemnation or insurance proceeds.

30. **Reconveyance after Payment**. Upon written request of Beneficiary stating that all obligations secured by this Trust Deed have been paid, Trustees shall reconvey, without warranty, the Mortgaged Property then subject to the lien of this Trust Deed. The recitals in any reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in the reconveyance may be described as "the person or person legally entitled thereto". Grantor shall pay any fees or recording charges incurred by Beneficiary in connection with the reconveyance.

31. **Release of Parties or Property**. Without affecting the obligations of any party under the Loan Documents (including any guarantor, surety or endorser of Grantor's obligations) or any subsequent purchaser of the Mortgaged Property, and without affecting the lien of this Trust Deed and Beneficiary's security interest in the Mortgaged Property, Beneficiary may, without notice (a) release Grantor and any other party now or hereafter liable for the payment or performance of any obligations under the Loan Documents, including guarantors of the Loan, (b) release all or any part of the Mortgaged Property, (c) subordinate the lien of this Trust Deed or Beneficiary's security interest in the Mortgaged Property, (d) take or release any other security or guaranty, (e) grant an extension of time or accelerate the time for performance of the obligations owed under the Loan Documents, (f) modify, waive, forbear, delay or fail to enforce any obligations owed under the Loan Documents, (g) sell or otherwise realize on any other security or guaranty prior to, contemporaneously with or subsequent to a sale of all or any part of the Mortgaged Property, (h) make advances pursuant to the Loan Documents including advances in excess of the Note amount, (i) consent to the making of any map or plat of the Mortgaged Property, and (j) join in the grant of any easement on the Mortgaged Property. Any subordinate lienholder shall be subject to all such releases, extensions or modifications without notice to or consent from the subordinate lienholder. Grantor shall pay any Trustee's or attorneys fees, title insurance premiums or recording fees in connection with any of the foregoing.

32. **Nonwaiver of Terms and Conditions**. TIME IS OF THE ESSENCE with respect to performance by Grantor of the obligations due under the Loan Documents. Beneficiary's failure to require prompt enforcement of any required obligations shall not constitute a waiver of the obligations due or any subsequent required performance of the obligation. No term or condition of the Loan Documents may be waived, modified or amended except by a written agreement signed by Grantor and Beneficiary. Any waiver of any term or condition of the Loan Documents shall apply only to the time and occasion specified in the waiver and shall not constitute a waiver of the term or condition at any subsequent time or occasion.

33. **Business Use of Property**. The Mortgaged Property is used for business or commercial purposes only and not used principally, or at all, for agricultural or farming purposes.

34. **Joint and Several Liability**. If there is more than one Grantor of this Trust Deed, their obligations shall be joint and several.

35. **Operating and Financial Statements; Inspections**. At any time during the term of the Note and any extension or renewal thereof, Grantor will deliver to Beneficiary, upon request, reasonably detailed operating statements and occupancy reports (including a rent roll) for the Mortgaged Property in a form satisfactory to Beneficiary certified as correct by Grantor. Grantor shall permit Beneficiary or its representative to examine all books and records pertaining to the Mortgaged Property, and shall deliver to Beneficiary financial statements, credit reports, and other documents in Grantor's possession, custody or control pertaining to the financial condition and obligations of any guarantors and tenants of the Mortgaged Property, and rental, income and expense statements, audits, and tax returns relating to the Mortgaged Property. Notwithstanding the foregoing, as long as no Event of Default has occurred hereunder and under the Note and the other Loan Documents, Beneficiary shall not request copies of or access to such statements, books and records more often than once for each of Grantor's fiscal quarters.

36. **Maximum Interest Rate**. No person shall be obligated to pay any amount of interest to the extent it is in excess of the maximum amount of interest permitted by applicable law. Without limiting the foregoing, all calculations of interest shall be made, to the extent permitted by law, by amortizing, prorating, allocating and spreading all interest in equal parts over the full stated term of the Note. If the loan secured by this Trust Deed is subject to a law which sets maximum interest or loan charges, and that law is finally interpreted so that interest or other loan charges collected or to be collected exceed the maximum amount permitted by law, and Grantor or any other holder of this Trust Deed shall ever receive as interest on the Loan an amount which exceeds the maximum amount of interest permitted by applicable law, such excess amount shall be applied to reduction of the principal amount owing on the Loan so as to fully and strictly comply with such law. The Loan Documents are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Beneficiary for the use, forbearance or detention of the money loaned under the Note or otherwise, or for the performance or payment of any indebtedness, exceed the maximum amount permitted under applicable law.

37. **Evasion of the Prepayment Fee**. If Grantor is in default, any tender of payment sufficient to satisfy all sums due under the Loan Documents made at any time prior to foreclosure sale shall constitute an evasion of the prepayment terms contained in the Note, if any, and shall be deemed a voluntary prepayment and subject to the prepayment provisions of the Note and payment of any applicable prepayment premium or fee.

38. **Payment of New Taxes**. If any federal, state or local law is passed subsequent to the date of this Trust Deed which requires Beneficiary to pay any tax because of this Trust Deed or the sums due under the Loan Documents, then Grantor shall pay to Beneficiary on demand any such taxes if it is lawful for Grantor to pay them. If it is not lawful for Grantor to pay such taxes, then at its option, upon ninety days prior written notice, Beneficiary may declare the entire unpaid balance due on the Note to be immediately due and payable.

39. **Substitution of Trustee**. Beneficiary may at any time discharge the Trustee and appoint a successor Trustee who shall have all of the powers of the original Trustee.

40. **Environmental Compliance; Indemnity**. Grantor represents and warrants to Beneficiary that to the best of Grantor's knowledge after due and diligent inquiry, neither the Premises nor any of the Improvements thereon presently contain asbestos, or signs of water damage or mold in any form, and no hazardous or toxic waste or substances are being stored, used, generated or released on (or located in the soil, groundwater, surface water or waterways) at or under the Mortgaged Property or any adjacent property in quantities or concentrations sufficient to require investigation, removal or remediation under the Environmental Laws (as hereinafter defined), nor have any such quantities or concentrations of such waste or substances been stored, generated, released or used on the Mortgaged Property or on any adjacent property prior to Grantor's ownership, possession or control of the Mortgaged Property, nor are any underground storage tanks (whether or not in use) located in, on or under any part of the Mortgaged Property. Grantor shall provide written notice to Beneficiary immediately upon Grantor becoming aware of the presence of underground storage tanks or that the Mortgaged Property or any adjacent property is being or has been contaminated with hazardous or toxic waste or substances. Grantor will not cause nor permit any activities on the Mortgaged Property which directly or indirectly could result in the Mortgaged Property or any other property becoming contaminated with hazardous or toxic waste or substances. For purposes of this Trust Deed, the term "**hazardous or toxic waste or substances**" means asbestos, urea formaldehyde foam insulation, flammable explosives, radioactive materials, petroleum and its refined products, hazardous materials, and any other substance or material defined, regulated, controlled, limited, prohibited, or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic, or other similar term in Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 USC 9601, et seq.), the Hazardous Materials Transportation Act, as amended, (49 USC 1801, et seq.), the Resource Conservation and Recovery Act, as amended, (42 USC 6901, et seq.) the Clean Water Act, as amended, (33 USC 1251, et seq.), the Clean Air Act, as amended, (42 USC 7401, et seq.), the Toxic Substances Control Act, as amended, (15 USC 2601, et seq.) or in any other applicable federal, state or local environmental and health statute, regulation or ordinance now or hereafter in effect governing the Mortgaged Property, its business, products or assets, with respect to discharges into the ground and surface water, emissions into ambient air and generation, control, accumulation, storage, treatment, transportation, removal, labeling, or disposal of waste materials or process by-products, the existence, cleanup, and/or remedy of contamination on property, the protection of the environment from soil, air or water pollution, or from spilled, deposited or otherwise emplaced contamination (the "**Environmental Laws**"). Grantor shall promptly comply at Grantor's expense with all statutes, regulations and ordinances which apply to Grantor or the Mortgaged Property and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction by which Grantor is bound, relating to the use, collection, storage, treatment, control, removal or cleanup of hazardous or toxic substances in, on or under the Mortgaged Property or in, on or under any adjacent property that becomes contaminated with hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Mortgaged Property. Beneficiary may, but is not obligated to, enter upon the Mortgaged Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary; and Grantor shall reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary in connection with such compliance activities, including cleanup and removal. Grantor shall indemnify, defend and hold harmless Beneficiary, its officers, directors, agents, insurers , representatives and employees from and against any and all loss, damage, injury, expense (including without limitation reasonable attorneys fees and the cost of environmental consultants), liability, claims, suits, judgments, fines and penalties or liability (including claims, fines or penalties of any governmental entity) associated with or related to the use, manufacture, storage, dumping, disposal, discharge, release, cleanup or removal of hazardous materials or toxic waste affecting the Mortgaged Property. This indemnity shall not apply to any

of the foregoing to the extent proximately caused by the willful misconduct or gross negligence of Beneficiary, or its employees, agents and representatives while Beneficiary is in actual possession and control of the Mortgaged Property. These covenants and agreements shall survive any foreclosure, release, discharge, payment or satisfaction of this Trust Deed or the indebtedness secured hereby. Reference is made to that certain Environmental Agreement and Indemnity of even date herewith by and among Grantor, BRENT S. LANZ, LORI A. LANZ, Brent S. Lanz and Lori A. Lanz as trustees of the LANZ JOINT TRUST, DARRELL D. LANZ, Darrell D. Lanz as trustee of the DARRELL D. LANZ REVOCABLE LIVING TRUST and Beneficiary (the "**Environmental Agreement and Indemnity**"). The provisions of the Environmental Agreement and Indemnity are not secured by this Trust Deed and are separate and distinct from and in addition to, any and all rights of Beneficiary against Grantor, any guarantor or any other person under the Loan Documents, or applicable law, but may be read together to maximize the coverage with respect to the subject matter thereof, as determined by Beneficiary.

41. **Reserves**. Upon occurrence of an event of default and the expiration of any applicable notice and cure period, Grantor shall pay to Beneficiary, together with and in addition to the monthly payments of principal and interest payable on the Note, on the date set forth in the Note for the making of monthly payments, until the Note is fully paid, a sum, as estimated by Beneficiary, equal to the taxes and special assessments next due on the Mortgaged Property, plus the premiums that will next become due and payable on insurance policies required by this Trust Deed, divided by the number of months to elapse before the premiums, taxes and special assessments are due, such sums to be held by Beneficiary to pay said premiums, taxes and special assessments. Such payments ("**Reserves**") are to be held without allowance of interest to Grantor (except as required by applicable law) and need not be kept separate and apart from other funds of Beneficiary. Such Reserves shall be applied by Beneficiary to real estate taxes, special assessments and insurance premiums on the Mortgaged Property as the same become due and payable. Collection of the reserves are solely for the added protection of Beneficiary and entails no responsibility on the part of Beneficiary beyond allowance of due credit for sums actually received by Beneficiary and the payment by Beneficiary of such taxes, special assessments and insurance premiums to the extent of the Reserves when statements therefor are actually presented to Beneficiary by Grantor. If the total of the Reserves shall exceed the amount of payments actually applied by Beneficiary, such excess may be credited by Beneficiary on subsequent payments to be made by Grantor, or at the option of Beneficiary, refunded to Grantor.

42. **Notices**. Except for any notice required by law to be given in another manner, any notice to Grantor or Beneficiary hereunder shall be in writing and shall be given (1) by a nationally-recognized overnight courier service (such as Federal Express) or (2) by certified mail, return receipt requested, addressed to Borrower or Lender at such addressee's address stated herein or at such other address as such party may designate in writing by notice to as provided herein. Any such notice shall be effective (1) on receipt, when delivered by courier service, or (2) on the third day after deposit in the United States mail, postage prepaid with return receipt requested, when delivered by United States mail as provided herein. Any party may change its address for notice purposes by giving a notice as provided herein.

43. **Grantor Not a Foreign Person**. Grantor is not a "foreign person" as that term is defined by Section 1445(f) (3) of the U.S. Internal Revenue Code.

44. **Representations of Grantor**. Grantor represents and warrants to Beneficiary that Grantor (a) is (1) an individual of legal age and capacity, or (2) a corporation, general partnership, limited partnership,

limited liability company, trust or other legal entity, duly organized, validly existing and in good standing under the laws of its creation, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such authorization; (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (c) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Trust Deed and the other Loan Documents.

45. **Successors and Assigns**. This Trust Deed applies to, inures to the benefit of, and binds all the parties hereto and their respective heirs, legal and personal representatives, successors and assigns.

46. **Controlling Document**. In the event of a conflict or inconsistency between the terms and conditions of this Trust Deed and the terms and conditions of any other of the Loan Documents (except for any separate Assignment of Leases and Rents which shall prevail over this Trust Deed), the terms and conditions of this Trust Deed shall prevail.

47. **Invalidity of Terms and Conditions**. If any term or condition of this Trust Deed is found to be invalid, the invalidity shall not affect any other term or condition of this Trust Deed and this Trust Deed shall be construed as if not containing the invalid term or condition.

48. **Rules of Construction**. This Trust Deed shall be construed so that whenever applicable, the use of the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited partnerships, limited liability companies, trusts and other entities.

49. **Section Headings**. The heading to the various sections have been inserted for convenience of reference only and shall not be used to construe this Trust Deed.

50. **Applicable Law**. This Trust Deed shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Oregon (without giving effect to the conflict of laws principles thereof), including without limitation, the creation, perfection, enforceability and priority of the liens and security interests created by this Trust Deed and the procedures for foreclosure and for enforcement of the rights and remedies of Beneficiary under this Trust Deed. In the event that any provision of this Trust Deed shall be inconsistent with any provision of the laws of the State of Oregon governing the validity or foreclosure of trust deeds, provided that such state law provision is applicable to the rights and obligations of the parties to this Trust Deed, such state law provisions shall take precedence over the provisions of this Trust Deed, but shall not invalidate or render unenforceable any other provision of this Trust Deed that can be construed in a manner consistent with applicable state law.

51. **Acknowledgment of Receipt**. Grantor acknowledges receipt of a copy of this Trust Deed and the other Loan Documents.

52. **Land Use Disclaimer**. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009,

AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

53. **Oral Agreements**. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY THE LENDER, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE LENDER TO BE ENFORCEABLE.

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

GRANTOR:

LANZ PROPERTIES, LLC,
an Oregon limited liability company

By: _____
Brent S. Lanz
Its: Manager

(signature must be acknowledged)

STATE OF OREGON

COUNTY OF Lane

I certify that I know or have satisfactory evidence that **BRENT S. LANZ** is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Manager of LANZ PROPERTIES, LLC, an Oregon limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this 21st day of Dec., 2012.

OFFICIAL SEAL
MELISSA BUTTERFIELD MITCHELL
NOTARY PUBLIC-OREGON
COMMISSION NO. A440317
MY COMMISSION EXPIRES SEPTEMBER 16, 2013

(Signature of Notary)

Melissa Mitchell

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Oregon, residing at

Lane County

My appointment expires 9.16.13

EXHIBIT A

(Legal Description of Mortgaged Property)

Land and improvements situated in the County of Washington, State of Oregon and described as follows:

PARCEL I:

A tract of land in the Northwest one-quarter of Section 28, Township 2 South, Range 1 West of the Willamette Meridian, in the County of Washington and State of Oregon, described as follows:

Beginning at the center of said section; thence along the East-West center Section line, South 89°31'42" West, a distance of 165.00 feet to the Southwest corner of that tract of land conveyed to Richard E. Stone by Special Warranty Deed recorded in Fee No. 85-028423, Records of Washington County, Oregon and the true point of beginning of the herein described tract; thence continuing South 89°31'42" West a distance of 192.3 feet to a point; thence North 0°25'09" East a distance of 737.19 feet to a point which is 396.49 feet South of the Southern Pacific Railroad; thence North 47°19'40" East a distance of 487.41 feet to the East line of said Northwest one-quarter; thence along said East line, South 0°13'44" East a distance of 800.60 feet to the Northeast corner of the said Stone Tract; thence South 89°31'42" West a distance of 165.0 feet to the Northwest corner of the said Stone Tract; thence South 0°13'44" East a distance of 264.0 feet to the true point of beginning.

EXCEPTING THEREFROM any portion thereof lying Southerly of the Northerly line of relocated Tualatin Sherwood Road.

PARCEL II:

That portion of that tract of land situated in the Northwest one-quarter of Section 28, Township 2 South, Range 1 West of the Willamette Meridian, in the County of Washington and State of Oregon, described in Deed to Washington County, recorded at Document No. 89-014988 In the Washington County Book of Records, lying Northerly of the centerline of County Road No. 2737 (Tualatin-Sherwood Road), as filed under Survey No. 25,092 in the Washington County Surveyor's Office, said tract being more fully described as follows:

Beginning at the center of Section 28, Township 2 South, Range 1 West of the Willamette Meridian, in the County of Washington and State of Oregon; and running thence South 89°44' West along the South line of the Northwest quarter of said Section 28, a distance of 165.00 feet; thence North 0°10' East, parallel to the East line of the Northwest quarter of said Section 28. a distance of 264.00 feet; thence North 89°44' East, 165.00 feet to the East line of the Northwest quarter of said Section 28; thence South 0°10' West, 264.00 feet to the point of beginning.

Said centerline being more particularly described as follows, to-wit:

Beginning at a point of tangency at Station 72+91.10 of County Road No. 2737 which bears North 19°07'57" East, 15.34 feet from the one-quarter corner common to Sections 29 and 28 in Township 2 South, Range 1 West, of the Willamette Meridian, In the County of Washington and State of Oregon; thence along the centerline of Proposed County Road No. 2737 and from said Station 72+97.10, South 88°45'05" East, 1,251.95 feet to a point of curvature at Station 85+49.05: thence along the arc of a 4,000.00 foot radius curve to the left, through a central angle of 07°33'31", an arc distance of 527.69 feet (the chord of which bears North 87°28'09" East, 527.31 feet) to a point of tangency at Station 90+76.74; thence North 83°41'24" East, 4,734.14 feet to a point of curvature at Station 138+10.88, said point of curvature bears North 62°34'42" East, 1,393.71 feet from the one-quarter corner common to Sections 28 and 27 in Township 2 South, Range 1 West of the Willamette Meridian, Washington County, Oregon.

EXCEPTING THEREFROM any portion thereof lying Southerly of the Northerly line of relocated Tualatin Sherwood Road.

PARCEL III:

An easement for Ingress and Egress as set forth In Deed to Jerry Bullock, Recorded December 20, 1988 as Fee No. 88-056659 described as follows:

A tract of land situate In the Southeast one-quarter of the Northwest one-quarter Section 28, Township 2 South, Range 1 West of the Willamette Meridian in the County of Washington and State of Oregon, more particularly described as follows, to-wit:

Beginning at a 5/8-inch iron rod at the center of Section 28, Township 2 South, Range 1 West, Willamette Meridian, Washington County Oregon; thence along the East-West centerline of said Section 28, South 89°31'42" West a distance of 357.24 feet to the True Point of Beginning of the herein described tract; thence continuing along said east-west centerline of Section 28, South 89°31'42" West a distance of 125.41 feet; said point being South 00°33'20" East a distance of 18.52 feet from a 5/8-Inch iron rod on the northerly right-of-way line of Edy Road, also known as Rock Creek Road; thence leaving said East-West centerline of Section 28, North 00°33'20" West a distance of 737.30 feet to a point, said point bears South 00°33'20" East a distance of 280.36 feet from a 5/8-inch iron rod on the southeasterly right-of-way line of the Southern Pacific Company; thence North 89°34'51" East a distance of 127.17 feet to a point on the East line of that Portland General Electric Company's transmission line easement, recorded March 26,1963 In Book 483, page 289, Washington County Deed Records, said point bears North 00°25'09" West a distance of 718.28 feet from a 5/8-inch iron rod on the northerly right-of-way line of Edy Road; thence South 00°25'09" East along said Portland General Electric Company's East line a distance of 737.19 feet to the True Point of Beginning.

TAX PARCEL NO(S): R547359