

RECORDING REQUESTED BY:
HELLER FINANCIAL, INC.

AND WHEN RECORDED, MAIL TO:

HELLER FINANCIAL, INC.
600 South Commonwealth Avenue
Los Angeles, California 90005
Attention: James R. Danielson

K-38060

____ SPACE ABOVE THIS LINE FOR RECORDER'S USE ____

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Agreement, made this 31st day of January, 1986, between MANNA PRO CORPORATION, a California corporation ("Debtor") whose address is 4929 Wilshire Boulevard, Third Floor, Los Angeles, California 90010; Ticor Title Insurance Company of California, a California corporation ("Trustee"); and HELLER FINANCIAL, INC., a Delaware corporation, ("Heller"), whose address is 600 South Commonwealth Avenue, Los Angeles, California 90005;

WITNESSETH: That Debtor IRREVOCABLY GRANTS, BARGAINS, SELLS, TRANSFERS, CONVEYS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that certain real property not used for agricultural, timber or grazing purposes described in Exhibit A attached hereto and made a part hereof as if fully set forth herein together with: (a) all of the buildings, improvements and structures, all building equipment, fixtures, machinery and other personal property of Debtor now or at any time hereafter standing or located on or used or adapted for use in connection with the land described in Exhibit A and all additions, accessions and improvements thereto and replacements thereof, all of which shall be deemed to be realty; (b) all and singular the rights, members, privileges, rights of way, easements, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, including all water rights and all right, title and interest of Debtor in, to and under any streets, ways, alleys, gores or strips of land adjoining said land; (c) all reversions, remainders, rents, income, proceeds and profits therefrom or leases thereof; and (d) all awards hereafter made for any taking thereof or injury thereto through eminent domain or casualty or otherwise,

Klamath County,
Oregon

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including awards or damages for change of grade, and also any return premiums or other payments upon any insurance at any time provided for the benefit of Heller, all of which awards, damages, premiums and payments are hereby assigned to Heller and may be at any time collected by it (all of the above hereinafter collectively called the "Premises").

This Agreement is entered into for the purpose of securing: (a) all present and future obligations and indebtedness of Debtor up to a total principal amount of \$60,000.00 including future advances as provided in Paragraph 31 below arising under the various financing arrangements between Debtor and Heller including, without limitation, that certain Loan and Security Agreement dated January 31, 1986, and that certain Collateral Note dated January 31, 1986, in the original principal sum of \$30,000.00 (the Loan and Security Agreement and Collateral Note are collectively called the "Note") together with interest thereon which may fluctuate pursuant to the Note and any renewals, extensions or modifications of any of the foregoing; (b) the prompt payment of all existing and hereafter arising indebtedness (unless the instrument or agreement evidencing such indebtedness expressly states it is not intended to be secured hereby) with interest thereon, and any further sum or sums for which Debtor may hereafter become indebted to Heller hereunder, under the Note or otherwise, and any renewals, extensions or modifications thereof; and (c) the performance of the covenants, conditions and agreements contained in this Agreement, the Note or any other agreements now or hereafter existing between Debtor and Heller (all of such indebtedness and obligations are hereinafter collectively called the "Indebtedness").

To protect the security of this Agreement, Debtor agrees as follows:

1. Commercial Trust Deed. Debtor warrants that this Agreement is and will at all times constitute a commercial trust deed (as that term is defined in ORS 86.770).
2. Warranty of Title. Debtor represents that it is the owner of and has good and merchantable title in fee simple to the Premises, and is lawfully seized and possessed of an indefeasible estate in fee simple in the Premises and has good right, full power and lawful authority in law and equity to convey, mortgage and encumber the same by way of this Agreement; that the same is free and clear of all liens, charges and encumbrances except those approved by or acceptable to Heller as disclosed in the title insurance

policy provided to Heller; that the lien created by this Agreement is a first and prior lien and encumbrance on the Premises; and that the Debtor will warrant and forever defend the title thereto. This Agreement shall also convey title to any portion or all of the Premises which are acquired after the execution hereof.

3. Payment and Compliance. Debtor shall pay the Indebtedness as and when due, and shall comply with and perform all of its obligations under the Note and this Agreement.

4. Maintenance, Repair and Prior Liens. Debtor shall: (a) promptly repair, restore or rebuild any buildings and other improvements now or hereafter on the Premises that may become damaged or destroyed to substantially the same character as prior to such damage or destruction, without regard to the availability or adequacy of any casualty insurance proceeds or eminent domain awards; (b) keep the Premises constantly in good condition and repair, without waste; (c) keep the Premises free from mechanics' liens or other liens, charges or encumbrances, or claims therefor (collectively called "Liens"), not expressly subordinated to the lien hereof, subject, however, to the rights of Debtor set forth in Paragraph 5 below and, in the case of Liens securing special assessments and charges, subject to Paragraph 6 below; (d) immediately pay when due indebtedness that may be secured by a Lien on the Premises on a parity with or superior to this Agreement (no such lien to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of such lien to Heller; (e) complete within a reasonable time any buildings or other improvements now or at any time under construction upon the Premises; (f) comply with all federal, state and local requirements of law, regulations, ordinances, order and judgments and all covenants, easements and restrictions of record with respect to the Premises and the use thereof; (g) make no material alterations in the Premises without Heller's prior written consent; (h) suffer or permit no change in the general nature of the occupancy of the Premises without Heller's prior written consent; and (j) observe and comply with all conditions and requirements necessary to preserve and extend all rights, licenses, permits (including, without limitation, zoning variations and any non-conforming uses and structures), privileges, franchises and concessions applicable to the Premises or contracted for in connection with any present or future use of the Premises.

5. Right to Contest. Notwithstanding anything in this Agreement to the contrary, Debtor may, in good faith and with reasonable diligence, contest the validity or amount of any Lien not expressly subordinated to this Agreement, and defer payment and discharge thereof during the pending of such contest, provided: (a) that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Lien; (b) that, within ten days after Debtor has been notified of the assertion of such Lien, Debtor shall have notified Heller in writing of Debtor's intention to contest such Lien (Debtor has no duty to notify Heller with respect to liens for taxes not yet due and payable until and unless payment of such taxes has become delinquent); and (c) Debtor shall give Heller such assurances as Heller, in its reasonable discretion, deems necessary under the circumstances.

6. Payment of Taxes. Debtor shall pay all general taxes before any penalty or interest attaches, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises of any nature whatsoever when due, and shall, upon written request, furnish to Heller copies of receipts therefor within thirty (30) days following the date of payment. Debtor shall pay in full "under protest" in the manner provided by law, any tax or assessment that Debtor may desire to contest.

7. Protection of Premises. At all times, Debtor shall appear in and defend any suit, action or proceeding that might in any way in the sole but reasonable judgment of Heller materially and adversely affect the title to or value of the Premises, the priority of this Agreement or the rights and powers of Heller hereunder or under any document given at any time to secure the Indebtedness. Debtor shall, at all times, indemnify, hold harmless and reimburse Heller on demand for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of, or incurred in connection with, any such suit, action or proceeding and the sum of such expenditures shall be secured by this Agreement, and shall bear interest after demand at the rate specified in the Note applicable to a period when an uncured default exists thereunder, and such interest shall be secured hereby and shall be due and payable on demand.

8. Insurance. Debtor shall at all times keep the Premises insured against loss or damage by fire on a

standard "all risks" basis and against such other hazards as may reasonably be required by Heller, including without limiting the generality of the foregoing, flood insurance whenever same is available and, in the opinion of Heller, such protection is necessary. Debtor shall also provide liability insurance coverages with personal injury and property damage limits recognized as adequate by other prudent owners and users of similar properties. All policies of insurance to be furnished hereunder shall be in forms, with companies and in amounts satisfactory to Heller and shall include agreed amount and full replacement cost endorsements and loss payable endorsements acceptable to Heller showing Heller as loss payee. All policies of insurance shall be held by Heller as part of the security for the Indebtedness and shall pass to, and become the property of, the purchaser at any foreclosure sale hereunder, without the necessity of specifically describing such policies of insurance in the foreclosure notice, sale, deed or other proceedings in consummation of such foreclosure. All policies shall also contain an agreement of the issuer requiring that the coverages evidenced thereby may not be cancelled, terminated or modified without at least thirty (30) days prior written notice to Heller. Debtor shall deliver all original policies, including additional and renewal policies, to Heller and, in the case of insurance about to expire, shall deliver renewal policies not less than twenty (20) days prior to their respective dates of expiration.

Debtor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Agreement unless such policies of insurance include loss payable endorsements acceptable to Heller showing Heller as loss payee. Debtor shall immediately notify Heller whenever any such separate insurance is taken out and shall promptly deliver to Heller the original policy or policies of such insurance. In the event of a foreclosure under this Agreement, or of a transfer of title to the Premises either in lieu of foreclosure or by purchase at the foreclosure sale, all interest in all insurance policies in force shall pass to Heller, transferee or purchaser, as the case may be.

Debtor agrees to give Heller notice in writing of any material damage to the Premises within ten (10) days after the occurrence of any such damage.

9. Insurance Proceeds. In case of loss or damage by fire or other casualty, Heller is authorized: (a) to settle and adjust any claim under insurance policies that

insure against such risks; or (b) to allow Debtor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Heller is authorized to collect and receive any such insurance proceeds. Such insurance proceeds may, at the option of Heller: (c) be applied in reduction of the Indebtedness, whether due or not; or (d) be held by Heller and applied to pay for the cost of repair, rebuilding or restoration of the buildings and other improvements on the Premises. If Heller elects to make such proceeds available to reimburse Debtor or any lessee for the cost of repair, rebuilding or restoration of buildings or other improvements on the Premises, such proceeds shall be made available in the manner and under the conditions that Heller may require. If the proceeds are made available for repair, rebuilding or restoration, the buildings and other improvements shall be repaired, restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the cost of rebuilding, repairing or restoring the building and other improvements may reasonably be expected to exceed the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00), then Heller must approve plans and specifications of such work before such work shall be commenced. If the proceeds made available exceed the cost of repair, rebuilding and restoration, any excess shall, at the option of Heller, be applied on account of the Indebtedness or paid to any party entitled thereto as the same appear on the records of Heller.

10. Stamp Tax and Changes in Taxation. If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over Debtor, any tax is due or becomes due in respect of the issuance of the Note, Debtor covenants and agrees to pay such tax in the manner required by any such law. Debtor further covenants to reimburse Heller for any sums that Heller may expend by reason of the imposition of any tax on the issuance of the Note. In the event that any law is enacted by the state in which the Premises are situated, after the date of this Agreement, deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing any liability upon Heller, in respect of the Indebtedness secured hereby, or changing in any way the laws now in force for taxation of mortgages, or debts secured by mortgages, or the manner of collection of any such taxes, so as to affect this Agreement, Debtor shall pay such obligations imposed on Heller thereby or reimburse Heller therefor and in the event Debtor fails to pay such obligation or to reimburse Heller therefor, the Indebtedness shall, at the option of Heller

and without notice to any party, become immediately due and payable. In addition to the foregoing, Debtor shall not be responsible for any tax liability of Heller attributable to or arising from income realized by Heller as a result of its financing arrangements with Debtor.

11. Assignment of Rents. As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Debtor hereby assigns to Heller all of Debtor's right, title and interest in all rents, issues and profits of the Premises, including all present and future leases of the Premises. Debtor shall deliver to Heller true and complete copies of all present and future leases of the Premises.

Debtor will not, without Heller's prior written consent: (a) execute any assignment or pledge of any rents or any leases of the Premises except an assignment or pledge securing the Indebtedness; (b) accept any payment of any installment of rent more than thirty (30) days before the due date thereof; or (c) make any lease of the Premises except for actual occupancy by the tenant thereunder.

Debtor at its sole cost and expense will: (d) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Premises, on the part of the landlord to be kept and performed; (e) enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the tenants to be kept and performed, but Debtor shall not modify, amend, cancel, terminate or accept surrender of any lease without the prior written consent of Heller; (f) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder; (g) transfer and assign or cause to be separately transferred and assigned to Heller, upon written request of Heller, any lease or leases of the Premises heretofore or hereafter entered into, and make, execute and deliver to Heller upon demand, any and all instruments required to effectuate said assignment; (h) furnish Heller, within ten (10) days after a request by Heller, a written statement containing the names of all tenants and the terms of all leases of the Premises, including the spaces occupied and the rentals payable thereunder; and (i) exercise within five days of any demand therefor by Heller any right to request from the tenant under any lease of the Premises a certificate with respect to the status thereof.

Nothing in this Agreement or in any other documents relating to the loan secured hereby shall be construed to obligate Heller, expressly or by implication, to perform any of the covenants of any landlord under any of the leases assigned to Heller or to pay any sum of money or damages therein provided to be paid by the landlord.

12. Debtor and Lien Not Released. From time to time Heller may, at its option, without giving notice to or obtaining the consent of Debtor or the consent of any junior lien holder, guarantor or tenant, without liability on Heller's part and notwithstanding Debtor's breach of any covenant, agreement or condition: (a) release anyone primarily or secondarily liable on any of the Indebtedness; (b) accept a renewal note or notes therefor; (c) release from the lien of this Agreement any part of the Premises; (d) take or release other or additional security for the Indebtedness; (e) consent to any plat, map or plan of the Premises; (f) consent to the granting of any easement; (g) join in any extension or subordination agreement; (h) agree in writing with Debtor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; and (i) waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the Indebtedness.

Any actions taken by Heller pursuant to the terms of this Paragraph shall not impair or affect: (j) the obligation of Debtor to pay any sums at any time secured by this Agreement and to observe all of the covenants, agreements and conditions herein contained; (k) the guaranty of any individual or legal entity for payment of the Indebtedness; or (l) the lien or priority of this Agreement with respect to the Premises.

13. Heller's Performance of Defaulted Acts. In the event Debtor defaults in its obligations under this Agreement, Heller may, but need not, make any payment or perform any act herein required of Debtor in any form and manner Heller deems expedient, and may, but need not do any of the following: make full or partial payments of principal or interest on prior encumbrances; purchase, discharge, compromise or settle any tax lien or other prior lien to title or claims thereof; redeem from any tax sale or forfeiture affecting the Premises; contest any tax or assessment; or cure any default of any landlord in any lease of the Premises. All monies paid for any of the purposes herein

authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Heller in regard to any tax payments or to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the rate of interest set forth in the Note applicable to a period when a default exists thereunder. Inaction of Heller shall never be considered as a waiver of any right accruing to it on account of any default on the part of Debtor. Heller in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) relating to the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien that may be asserted.

14. Partial Reconveyance. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of Heller and presentation of this Agreement and the Note for endorsement and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Agreement upon the remainder of the Premises: reconvey any part of the Premises; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or subordination agreement in connection herewith.

15. Full Reconveyance. Upon receipt of written request from Heller reciting that all sums secured hereby have been paid and upon surrender of this Agreement and the Note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the Premises. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto". Five years after issuance of such full reconveyance, Trustee may destroy the Note and this Agreement (unless directed in such request to retain them).

16. Acceleration of Indebtedness in Case of Default. Upon the occurrence of any of the following events but subject to any applicable cure periods provided in the

Note, the whole of the Indebtedness shall, at Heller's option, become immediately due and payable: (a) Debtor defaults in the due and punctual payment of the Indebtedness including principal or interest on the Note, or any other payment due in accordance with the terms of this Agreement or the Note; (b) an event of default occurs under the Note; (c) Debtor defaults in the due observance or performance of any other covenant, agreement or condition hereinbefore or hereinafter contained and required to be kept or performed or observed by Debtor; or (d) upon any change in ownership or further encumbrance of the Premises or any part thereof, either voluntarily, by operation of law or otherwise, without the prior written consent of Heller. If Heller shall be entitled to accelerate the maturity of the Indebtedness at the same time that any insurance proceeds or condemnation awards are held by or for Heller to reimburse Debtor or any lessee for the cost of repair, rebuilding or restoration of buildings or other improvements on the Premises, then and in such event, Heller shall be entitled to apply all such insurance proceeds and condemnation awards in reduction of the Indebtedness, and any excess over the amount of the Indebtedness shall be paid to Debtor or any party entitled thereto, without interest, as the same appear on the records of Heller.

17. Notice of Default and Sale. When the Indebtedness or any part thereof becomes due, whether by acceleration or otherwise, Heller shall have a right to foreclose this Agreement by advertisement and sale, or by judicial foreclosure or other lawful procedure. If Heller elects to foreclose this Agreement by advertisement and sale, Heller shall deliver to Trustee a written notice of default and election to cause the Premises to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Agreement and the Note and all other documents evidencing any expenditure secured by this Agreement. To the fullest extent permitted by law, Heller shall be entitled to a deficiency judgment in the event proceeds of sale are insufficient to pay all amounts secured by this Agreement.

Subject to and in accordance with all requirements of law, following recordation of any such notice of default, Trustee shall sell the Premises at such time and at such place in the state where the Premises are located as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be

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in any county in which the Premises or any part thereof is situated.

Trustee may postpone sale of all, or any portion, of the Premises by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

At the time of sale so fixed, Trustee may sell the Premises so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, express or implied. Debtor hereby agrees to surrender, immediately and without demand, possession of said property to such purchaser.

Any person permitted by law may purchase at such sale. The recitals in any deed from trustee of any matters or facts shall be conclusive proof of the truthfulness thereof.

18. Notice to Debtor. Debtor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

19. Expenses and Application of Proceeds. The costs and expenses of any Trustee's sale or other foreclosure proceedings shall include all reasonable expenditures and expenses that may be paid or incurred by or on behalf of Heller or Trustee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs of procuring abstracts of title, title searches and examinations, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Heller or Trustee may deem reasonably necessary either to prosecute such sale or civil action or to evidence to bidders at any sale that may be had the true condition of the title of, or the value of, the Premises. All reasonable expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of this Agreement, the Note or the Premises, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding,

shall be immediately due and payable by Debtor, with interest thereon at the rate set forth in the Note applicable to a period when a default exists thereunder, and shall be secured by this Agreement. The proceeds of any sale of the Premises by Trustee or through other foreclosure proceedings shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the Trustee's sale or foreclosure proceedings, including all such items as are mentioned in this Paragraph; second, to all other items that may under the terms hereof constitute secured Indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, to all principal and interest remaining unpaid on the Note; and fourth, to any party entitled thereto as their rights may appear.

20. Receiver. In addition to the assignment of rents herein, Heller shall have the right, either before or after the occurrence of any event of default, to collect and retain such rents, issues and profits as they become due and payable. After the occurrence of any event of default, Heller may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness secured hereby, enter upon and take possession of the Premises or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon the Indebtedness, in such order as Heller may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

Upon, or at any time after, the commencement of an action to foreclose this Agreement, the court in which such action was commenced may, upon request of Heller, appoint a receiver of the Premises either before or after foreclosure sale, without notice to Debtor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and Heller or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure action and, in case of a sale and a deficiency, during the full statutory

period for redemption, subject to the rights of the purchaser at the foreclosure sale, whether there be redemption or not, as well as during any further times when Debtor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers that may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in its hands in payment in whole or in part of: (a) the Indebtedness secured hereby or by any order or judgment foreclosing the lien of this Agreement, or any tax, special assessment or other lien that may be or become superior to the lien hereof or the lien of such order or judgment, provided such application is made prior to foreclosure sale; or (b) the deficiency in case of sale and deficiency.

21. Rights Cumulative. Each right, power and remedy conferred upon Heller by this Agreement and by the Note and all other documents evidencing or securing the Indebtedness and conferred by law and in equity is cumulative and in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy herein or therein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Heller. The exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission of, or discontinuance by, Heller in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

22. Inspection. Debtor shall, upon Heller's request, give Heller access to and permit it to inspect and examine the Premises and any books and records relating thereto.

23. Condemnation. Debtor hereby assigns, transfers and sets over unto Heller the entire proceeds of any award and any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. Heller may elect: (a) to apply the proceeds of the award or claim upon or in reduction of the Indebtedness, whether due or not; or (b) to make those proceeds

available to Debtor or any lessee for repair, restoration or rebuilding of the Premises, in the manner and under the conditions that Heller may require. If the proceeds are made available for repair, restoration or rebuilding, the buildings and improvements shall be repaired, restored or rebuilt in accordance with plans and specifications to be submitted to and approved by Heller. If the proceeds are made available by Heller, any surplus that may remain out of said award after payment of such cost of repair, rebuilding and restoration shall, at the option of Heller, be applied on account of the Indebtedness or paid to any party entitled thereto as the same appear on the records of Heller.

24. Giving of Notice. Any notice that either party may desire or be required to give to the other party shall be in writing and mailed by first class U.S. mail postage prepaid or personally delivered by hand or by courier addressed to Debtor or to Heller, as the case may be, at the respective addresses set forth on the first page of this Agreement or at such other place as any party may by notice in writing designate as a place for service of notice.

25. Waiver of Statutory Rights. Debtor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien of this Agreement, but hereby waives the benefit of such laws. Debtor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Debtor hereby expressly waives any and all rights of redemption from sale under any order or judgment of foreclosure of the lien of this Agreement on behalf of Debtor and each and every person acquiring any interest in or title to the Premises subsequent to the date of this Agreement.

26. Filing and Recording Charges and Taxes. Debtor will pay all costs, fees and expenses of this trust and all filing, registration, recording and search and information fees, and all expenses incident to the execution and acknowledgement of this Agreement and all other documents securing the Note and all federal, state, county and municipal taxes, other taxes, duties, imports, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the

Note, this Agreement and all other documents securing the Note and all assignments thereof. Notwithstanding the foregoing, Debtor shall not be responsible for any tax liability of Heller attributable to or arising from income realized by Heller as a result of its financing arrangements with Debtor.

27. Binding Nature. This Agreement and all provisions hereof shall inure to the benefit of Heller, its successors and assigns and shall extend to and be binding upon Debtor, its successors, grantees, assigns, each subsequent owner or owners of the Premises and all persons claiming under or through Debtor. The word "Debtor" when used herein shall include all persons primarily and secondarily liable for the payment of the Indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Agreement.

28. Severability and Applicable Law. In the event one or more of the provisions contained in this Agreement or in the Note or in any other document given at any time to secure the payment of the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, the Note or any other document, and this Agreement, the Note or other document shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The validity and interpretation of this Agreement is to be construed in accordance with and governed by the laws of the State in which the Premises are situated.

29. Estoppel Certificate. Debtor within fifteen (15) days after mailing of a written request by Heller, agrees to furnish from time to time a signed statement setting forth the amount of the Indebtedness and whether or not any default, offset or defense then is alleged to exist against the Indebtedness and, if so, specifying the nature thereof.

30. Non-Joinder of Tenant. After an event of default hereunder, Heller shall have the right and option to commence a civil action to foreclose the lien of this Agreement and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Premises. The failure to join any tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Debtor as a

defense in any civil action instituted to collect the Indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

31. Future Advances. The Note secured by this Agreement includes terms providing for revolving loans to be made to Debtor. In addition to all other indebtedness secured by this Agreement, this Agreement shall also secure, and constitute a lien upon the Premises for, all future advances or additional sums advanced by the then holder of the Note secured hereby to or for the benefit of Debtor, whether such advances are obligatory or are made at the option of Heller, or otherwise, at any time within twenty (20) years from the date of this Agreement, with interest thereon at the rate agreed upon at the time of each additional loan or advance. Such sums, if any, shall be equally secured with and have the same priority as the original indebtedness secured hereby, and shall be subject to all of the terms and provisions of this Agreement, whether or not such additional loan or advance is evidenced by a promissory note, and whether or not identified by a recital that it is secured by this Agreement unless Heller shall agree in writing that such additional loan or advance is not secured by this Agreement. The total amount of the Indebtedness may increase or decrease from time to time, but the total unpaid principal balance of such indebtedness secured at any one time by this Agreement shall not exceed the sum of Sixty Million Dollars, (\$60,000,000.00) plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Premises, with interest on such disbursements, and provided further that it is understood and agreed that this future advance provision shall not be construed to obligate Heller to make any additional loans or advances. Any such additional note or notes executed and delivered pursuant to this future advance provision shall be included in the term "Note" wherever it appears in this Agreement.

32. Acceptance and Resignation. Trustee accepts these Trusts when this Agreement, duly executed and acknowledged is made a public record as provided by law, reserving, however, unto the Trustee the right to resign from the duties and obligations imposed herein whenever he deems, at his sole discretion, it to be in the best interest of the Trustee by giving written notice to Debtor and Heller.

33. No Duty of Trustee to Give Notice. Trustee shall be under no obligation to notify any party hereto of

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any pending sale hereunder or of action or proceeding of any kind in which Debtor, Heller and/or Trustee shall be named as defendant, unless brought by Trustee.

34. Successor Trustee. Heller may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Heller, and recorded in the Office of the County Recorder of the County or Counties wherein the Premises are located, shall be conclusive proof of the proper substitution of such successor or trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee.

In Witness Whereof, Debtor has executed this instrument to be effective as of the day and year first above written.

MANNA PRO CORPORATION, a
California corporation

By:

Title:

Robert L. Young
President

Attest:

Secretary
N. Glen Henderson



STATE OF Calif
COUNTY OF Los Angeles } SS.

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ACKNOWLEDGEMENT

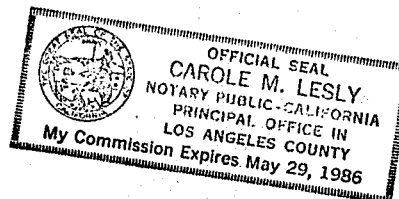
I, Carol M. Lesly, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that Robert J. Pung, personally known to me or proved to me on the basis of satisfactory evidence to be the President of Manna Pro Corporation, and N. Glen Hendon, personally known to me or proved to me on the basis of satisfactory evidence to be the President of said Corporation whose names are subscribed to the foregoing instruments appeared before me this day in person and severally acknowledged that as such President and Secretary of said Corporation they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act and deed of said Corporation for the uses and purposes therein set forth.

WITNESS my hand and Notarial Seal this 28 day of Jan, 1986

My Commission Expires:

Carol M. Lesly
Notary Public

May 29, 1986
(SEAL)



REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of the Indebtedness secured by this deed. The entire Indebtedness has been paid and you are requested on payment to you of any sums to which you are entitled by the deed or applicable law to cancel evidences of Indebtedness (which are delivered together with the deed) and to reconvey the Property as required by law. The reconveyance and other documents should be mailed to _____

_____.

DATED: _____, 19__

HELLER: _____

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EXHIBIT A

DESCRIPTION

A tract of land situated in Lot 2, Block 3, Tract 1080, Washburn Park, a duly recorded plat, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the Easterly right of way line of Washburn Way, said point being S. 00°03'30" W. a distance of 314.74 feet from the Northwest corner of said Lot 2; thence S. 89°56'30" E. 400.00 feet to the Easterly line of said Lot 2; thence along said Easterly line S. 00°03'30" W. 185.00 feet; thence N. 89°56'30" W. 400.03 feet to the Easterly right of way line of said Washburn Way; thence along said right of way line, N. 00°04'50" E. 60.39 feet and N. 00°03'30" E. 124.61 feet to the point of beginning, containing 74,000.00 square feet with bearings based on Tract 1080-Washburn Park.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of _____ January _____ A.D., 19 _____ 86 at _____ 12:03 o'clock _____ P. M., and duly recorded in Vol. _____ 1886
of _____ Mortgages _____ on Page _____ 1892

FEE \$81.00

Evelyn Biehn,
By _____

County Clerk

[Signature]