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Vol. m92 Page 13245

After Recording Return to:

Perkins Coie
1201 Third Avenue, 40th Floor
Seattle, WA 98101-3099
Attention: Heather Lancaster

ASPEN 38536
DEED OF TRUST,

ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING

Klamath County, Oregon

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

Klamath County, Oregon

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") dated June 15, 1992 is made by and among TRILLIUM CORPORATION, a Washington corporation ("Grantor"), whose address is 1313 Commercial Street, Bellingham, Washington 98225, Stewart Title Company of Oregon, a corporation ("Trustee"), whose address is 9020 South West Washington Square Road, Suite 220, Tigard, Oregon 97224, and GLACIER PARK COMPANY, a Delaware corporation ("Beneficiary"), whose address is 1011 Western Avenue, Suite 700, Seattle, Washington 98104.

RECITALS

A. Pursuant to the Real Estate Purchase and Sale Agreement dated March 23, 1992 and the amendment thereto dated as of June 5, 1992 (collectively, "Agreement") among Beneficiary, as seller, Grantor, as buyer, and David R. Syre and Kay E. Syre, husband and wife (collectively, "Syres"), Grantor is purchasing certain parcels of real property located in the United States and Canada (each, a "Parcel"). The purchase price for the Parcels is US\$72,100,000, as such sum may have been adjusted pursuant to the Agreement ("Purchase Price"). Pursuant to the Agreement, Grantor is paying at least US\$10,815,000 of the Purchase Price in cash and the remainder of the Purchase Price ("Principal Amount") pursuant to the County Note and the Other Notes.

B. Pursuant to the Agreement, US\$69,958.71 of the Principal Amount ("Allocated Principal Amount") is allocated to the Parcels located in Klamath County, Oregon (collectively, "County Parcels"), and Grantor is paying the Allocated Principal Amount pursuant to a promissory note of even date herewith, made by Grantor, payable to the order of Beneficiary ("County Note"). The maturity date of the County Note is June 15, 1999.

C. Pursuant to the Agreement, Grantor is paying the remainder of the Principal Amount pursuant to other promissory notes of even date herewith, made by Grantor, payable to the order of Beneficiary (collectively, "Other Notes").

D. Pursuant to the Agreement, the County Note is secured by, among other things, this Deed of Trust. (The

County Note and this Deed of Trust are included among the "Security Documents", which term has the meaning given it in the Agreement.)

E. Pursuant to the Agreement, each of the Other Notes is secured by, among other things, a deed of trust, mortgage or trust deed of even date herewith made by Grantor, granting Beneficiary a first-priority mortgage lien on and security interest in all Parcels located in a particular county in the United States or a particular province in Canada (collectively, "Other Mortgages"). (The Other Notes and the Other Mortgages are included among the Security Documents.)

F. Pursuant to the Agreement, payment and performance of the County Note, this Deed of Trust, and the Other Notes, Other Mortgages and other Security Documents are personally guaranteed, jointly and severally, by the Syres, pursuant to a guaranty of even date herewith ("Guaranty").

AGREEMENT

1. Grant in Trust

Grantor hereby irrevocably grants, bargains, sells, transfers, assigns and conveys to Trustee in trust, with power of sale, and grants to Beneficiary a security interest in, subject to Beneficiary's right, power and authority hereunder to collect and apply the rents, issues and profits thereof, the following (collectively, "Property"):

(a) Grantor's right, title and interest in and to the County Parcels as further described on EXHIBIT A attached hereto and made a part hereof;

(b) Grantor's right, title and interest in and to any tenements, hereditaments, easements and appurtenances now or hereafter located in, under, over and/or upon the County Parcels, including any easements, rights of way and other rights used as a means of access thereto; any right, title and interest in and to any land lying in the bed of any street, road or avenue, whether opened or proposed, adjoining the County Parcels, to the center line thereof; any water rights appurtenant to the County Parcels; and any mineral rights relating to the County Parcels, except for those identified on EXHIBIT A attached hereto and made a part hereof (collectively, "Appurtenances");

(c) any structures and improvements owned by Grantor that are located on the County Parcels ("Improvements");

(d) any leases of any of the County Parcels, Appurtenances or Improvements under which Grantor has an interest; any governmental licenses, permits and authorizations relating to the County Parcels, Appurtenances or Improvements and any contract, permit or other rights relating to the ownership, use and operation of the County Parcels, Appurtenances or Improvements under which Grantor has an interest (collectively, "Intangible Property");

(e) any personal property of Grantor located on, or used in connection with, the County Parcels, Improvements or Appurtenances including, but not limited to, all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, partitions and attached floor covering; all fixtures, apparatus, machinery and equipment used to supply heat, gas, air-conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation; and all other fixtures, apparatus, machinery, equipment, appliances and other tangible personal property now or hereafter attached to the Improvements or at any time hereafter located on the County Parcels and/or Improvements and/or Appurtenances and necessary for the continued operation of the County Parcels and/or Improvements and/or Appurtenances (collectively, "Personal Property");

(f) any sums held by or deposited with Beneficiary by Grantor for Impositions or insurance premiums;

(g) any refunds or rebates of Impositions and any return premiums or other payments upon any insurance at any time provided for the benefit of Beneficiary;

(h) any right, title and interest of Grantor under any contracts or agreements of sale with respect to the County Parcels, Improvements, Appurtenances, Intangible Property or Personal Property;

(i) any reversions, remainders, rents, issues and profits which are now due or may hereafter become due by reason of the renting, leasing or bailment of the County Parcels, Appurtenances, Improvements or Personal Property;

(j) any awards or payments which Grantor may now or hereafter receive or be entitled to receive, including interest thereon, as a result of (i) damage to the County Parcels, Improvements, Appurtenances or Personal Property by reason of any casualty, including, without limitation, fire or earthquake; (ii) the exercise of the right of eminent domain against the County Parcels, Improvements or Appurtenances; (iii) the alteration of the grade of any street relating to the County Parcels, Improvements or Appurtenances; or (iv) any other injury to, taking of, or decrease in the value of, the

County Parcels, Improvements, Appurtenances, Intangible Property or Personal Property; and

(k) all proceeds and products of the foregoing.

2. Purpose

This Deed of Trust is given for the purpose of securing the following:

(a) payment and performance of the County Note, together with any amendments or modifications thereto;

(b) payment of any sums that may become due for advances by Beneficiary for Impositions and insurance on the Property under Sections 4 and 7;

(c) payment of any sums that may become due for expenditures made by Beneficiary under Sections 5, 9 and 28;

(d) payment of all attorneys' fees and costs incurred by Beneficiary or Trustee in (i) foreclosing this Deed of Trust or realizing upon any of the collateral for the obligations that this Deed of Trust secures; (ii) defending the priority or validity of this Deed of Trust or title to the Property; and (iii) any bankruptcy proceeding or any reorganization or arrangement proceeding under bankruptcy or insolvency laws affecting Grantor, the County Note, this Deed of Trust or the obligations it secures;

(e) payment of all sums advanced by Beneficiary to or on behalf of Grantor for the purposes of clearing encumbrances or defects from the title to the Property that arise from and after the date hereof, other than the liens and encumbrances on the Property described on EXHIBIT B attached hereto and made a part hereof (collectively, "Permitted Encumbrances"), which Beneficiary in good faith believes are superior to the lien of this Deed of Trust, including, without limitation, ad valorem taxes and mechanics' or materialmen's liens; and

(f) performance of each condition or covenant of Grantor under this Deed of Trust or incorporated herein by reference.

3. Payment of Indebtedness

Grantor shall promptly pay and perform the terms and conditions of the County Note in the manner therein provided.

4. Payment of Impositions

4.1 Payment of Impositions

Grantor shall pay all taxes, assessments, rates, duties, royalties, fees, encumbrances, charges and liens affecting the Property (collectively, "Impositions") and upon Beneficiary's request, Grantor shall provide Beneficiary with a paid receipt therefor. If any Imposition is not paid when due, Beneficiary may pay the same, together with any penalty and interest thereon, and the amount so paid or advanced shall immediately be payable by Grantor to Beneficiary and shall be secured by the lien of this Deed of Trust. Grantor may, however, in good faith contest, by proper legal proceedings, at Grantor's own cost and expense, the validity or amount of any Imposition provided that (a) Grantor shall deposit with Beneficiary, as security for the payment of such contested item, an amount equal to the contested item plus all penalties and interest which would be payable if Grantor is ultimately required to pay such contested item, and (b) no amount so contested may remain unpaid for such length of time as shall permit the Property, or the lien thereon created by the item being contested, to be sold for the nonpayment thereof, or as shall permit an action, either of foreclosure or otherwise, to be commenced by the holder of any such lien.

Grantor hereby assigns to Beneficiary all rights of Grantor now or hereafter arising in and to the refund of any Imposition and any interest thereon. If Grantor is not in default hereunder following receipt of any such refund by Beneficiary, Beneficiary shall pay such refund to Grantor promptly upon demand; if Grantor is in default hereunder beyond any applicable grace period, Beneficiary may apply such refund in reduction of the principal indebtedness under the County Note or in payment of any other amount secured hereby.

4.2 Reserve for Impositions

If any Imposition is not paid when due, Beneficiary may require Grantor to pay to Beneficiary, upon demand, a sum equal to all Impositions that thereafter become due and payable on the Property for the next calendar year or fiscal year (all as estimated by Beneficiary), less all sums previously paid therefor. Beneficiary shall hold all such payments in trust without obligation to pay interest thereon to Grantor, and Beneficiary shall apply such payments to the Impositions when due. If Grantor defaults under this Deed of Trust, Beneficiary may apply any such payments held by it to the payment of any indebtedness secured by this Deed of Trust in any manner as Beneficiary may elect.

5. Maintenance of Property

5.1 Alterations

Grantor shall not materially alter, remove or demolish any Improvement without Beneficiary's prior written consent.

5.2 Repairs

Grantor shall complete or restore promptly and in good and workmanlike manner any Improvement that may be constructed, materially damaged or destroyed and shall pay when due all costs incurred therefor.

5.3 Waste

Grantor shall not commit or permit waste of the Property.

5.4 Preservation of Premises; Maintenance

Grantor shall protect and preserve the Property and maintain it in good condition and repair.

5.5 Failure to Perform

If Grantor fails to observe any of the provisions of this Section 5, or suffers any default to exist under this Section 5, Beneficiary may perform or cause to be performed any and all repairs and such other work as it considers necessary to bring the Property into compliance with the provisions of this Section 5, and Beneficiary may enter upon the Property to do so. Grantor hereby waives any claim against Beneficiary arising out of such entry or out of any other act carried out pursuant to this Section 5. Grantor shall upon demand repay to Beneficiary all amounts expended or incurred by it in connection with any action taken pursuant to this Section 5, and such repayment shall be secured by the lien of this Deed of Trust.

6. Representations, Warranties and Covenants

6.1 Compliance with Laws

Grantor shall comply with all, and shall not suffer or permit any act upon or concerning the Property that would result in a violation of any, federal, state and local laws, statutes, codes, ordinances, rules, regulations, judgments, orders, injunctions, awards, decrees, covenants, conditions, restrictions and standards affecting the Property and its use, including, without limitation, (a) those regarding environmentally hazardous, radioactive or toxic wastes or substances (collectively, "Hazardous Materials"), water quality, air quality and other environmental matters (all of which laws,

etc. are collectively referred to as "Environmental Enactments") and (b) those requiring any alterations or improvements to be made on the Property. Grantor shall promptly and at Grantor's expense clean up all Hazardous Materials which are created, released, stored or otherwise disposed of on the Property in violation of any Environmental Enactment from and after the date hereof.

6.2 Indemnity

Grantor shall defend, indemnify and hold Beneficiary harmless from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and disbursements) that may be imposed on, incurred or paid by or asserted against, Beneficiary in connection with (a) any of the matters described in Sections 6.1 (including, without limitation, the cost of correcting any environmental hazard or violation, the payment of any damages or penalties charged or imposed by any applicable court or governmental agency, the cost of investigating and defending any charge or action brought under any Environmental Enactment by any governmental entity or official or any private citizen or citizen group and the fees of any attorney or any expert or other consultant hired in connection with any such action, (b) the construction, reconstruction or alteration of any Improvements, (c) any negligence or misconduct of Grantor, any lessee or occupant of the Property or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (d) any accident, injury, death or damage to any person or property occurring in, on or about the Property or any street, drive, sidewalk, curb or passageway adjacent thereto, and (e) any other transaction arising out of or in any way connected with the Property, except that Grantor shall have no duty to defend, indemnify or hold Beneficiary harmless from and against any losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses that may be imposed upon, incurred or paid by or asserted against Beneficiary in connection with the matters described in this Section 6.2 that occurred prior to the date of this Deed of Trust.

7. Insurance

7.1 Types of Insurance

Grantor shall obtain and maintain in force such policies of insurance as Beneficiary may reasonably require. Such policies shall insure against such risks, be in such amounts and be issued by such companies as Beneficiary may reasonably require or approve. All such policies shall be issued by domestic or foreign companies licensed to do business in the

State of Oregon and having a Best's rating of A XIII or better. Such insurance shall include, without limitation:

(a) hazard insurance with fire and extended coverage and boiler and machinery coverage in an amount not less than the full replacement cost of the Improvements (without coinsurance or depreciation), with flood damage, vandalism and malicious mischief and such other (but not earthquake or environmental) endorsements as Beneficiary may from time to time request. Grantor may furnish to Beneficiary in lieu of flood damage insurance, a certificate issued by the appropriate governmental agency as evidence that the Property is not located in a flood hazard area;

(b) comprehensive public liability insurance and property damage insurance with such liability limits as Beneficiary may from time to time require; provided, however, that in no event shall such limits be less than US\$1,000,000 for bodily injury and \$1,000,000 for property damage without Beneficiary's prior written consent;

(c) worker's compensation insurance (including employer's liability insurance if requested by Beneficiary) for all employees of Grantor engaged on or in connection with the Property in amounts satisfactory to Beneficiary;

(d) boiler and machinery insurance covering any pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air-conditioning, elevator and escalator equipment and any other similar equipment, and insurance against loss of occupancy or use arising from any breakdown of such equipment, in amounts satisfactory to Beneficiary; and

(e) such other insurance, and in such amounts, as Beneficiary may from time to time reasonably require.

7.2 General Requirements

All policies of insurance required under this Deed of Trust shall:

(a) contain (i) an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of, or breach of warranty by, Grantor which might otherwise result in forfeiture of such insurance and (ii) an agreement of the insurer waiving all rights of setoff, counterclaim or deduction against Grantor; and

(b) name Beneficiary as a loss payee and provide that such policy shall not be modified, cancelled, terminated or allowed to expire without giving Beneficiary at least 10 days' advance notice thereof. Upon Beneficiary's request,

Grantor shall deposit all such policies of insurance with Beneficiary, or, at Beneficiary's option, provide evidence satisfactory to Beneficiary of the coverage required by Beneficiary.

7.3 Events of Loss

In the event of loss, Grantor shall give immediate notice thereof to Beneficiary. Grantor hereby authorizes Beneficiary to collect, adjust and compromise any losses under any of the above insurance policies. The amount collected under any such insurance policy may be applied by Beneficiary to any indebtedness secured hereby in such order as Beneficiary may determine, or, at Beneficiary's option, the entire amount so collected, or any part thereof, may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7.4 Reserves for Premiums

If any insurance premium is not paid when due, Beneficiary may require Grantor to pay to Beneficiary, upon demand, a sum equal to all premiums that thereafter become due and payable for the next calendar year on policies of fire and other insurance covering the Property and required hereunder, less all sums previously paid therefor. Beneficiary shall hold all such payments in trust without obligation to pay interest thereon to Grantor, and Beneficiary shall apply such payments to the premiums when due. If Grantor defaults under this Deed of Trust, Beneficiary may apply any such payments held by it to the payment of any indebtedness secured by this Deed of Trust in any manner as Beneficiary may elect.

8. Defense of Security

Grantor shall, at its own cost and expense, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary and/or Trustee hereunder.

9. Beneficiary's Right to Protect Security

Beneficiary and/or Trustee may (but shall not be obligated to), without notice to or demand upon Grantor and without releasing Grantor from any obligation hereunder, do the following: (a) make any payment or do any act that Grantor fails to do hereunder, in such manner and to such extent as Beneficiary or Trustee may reasonably consider necessary to protect the security hereof, and Beneficiary and Trustee are authorized to enter upon the Property for such purposes; (b) commence, appear in, and defend any action or proceeding purporting to affect the security hereof or the rights or

powers of Beneficiary and/or Trustee hereunder; and (c) pay, purchase, contest or compromise any encumbrance, charge or lien that in the reasonable judgment of either appears to be prior or superior hereto. Grantor shall pay immediately upon demand all sums expended by Beneficiary and/or Trustee in taking any of the foregoing actions, with interest from date of expenditure at the rate of 15% per annum or the maximum rate permitted by law, whichever is less, and the repayment thereof shall be secured hereby.

10. Sale, Transfer or Encumbrance of Property

If Grantor sells, conveys, transfers, encumbers, pledges or alienates all the Property or all of its interest therein (in one transaction and not pursuant to the next sentence) or is divested of its title to all the Property or any interest therein in any manner (in one transaction and not pursuant to the next sentence) either voluntarily or involuntarily, or if Grantor's shareholders or partners (as the case may be), or any one of them, without Beneficiary's prior written consent, sells, conveys, transfers, encumbers, pledges or alienates their shares or partnership interests in Grantor either voluntarily or involuntarily, then in recognition of Beneficiary's reliance on the ownership and management of the Property by Grantor and the increased risk to Beneficiary if Grantor takes or permits any of the foregoing to occur, Beneficiary, at its sole option, shall have the right to declare all sums secured hereby immediately due and payable. If and when Grantor sells, conveys, transfers, encumbers, pledges or alienates any County Parcel or any part thereof or interest therein or is divested of its title or any interest therein in any manner, either voluntarily or involuntarily, Grantor shall, as a condition precedent thereto, immediately pay to Beneficiary, the Release Amount of such Parcel or such other amount as Grantor is permitted or obligated to pay to Beneficiary under Section 7.3 of the Agreement and under Section 23 of this Deed of Trust in order for such County Parcel to be released from the lien hereof. Beneficiary's waiver of any right under this Section 10 as to one transaction, event or occurrence shall not be considered a waiver of such right as to any subsequent transaction, event or occurrence. Notwithstanding the foregoing, Grantor may cause or permit the following to occur without first obtaining Beneficiary's prior written consent: the subdivision of any County Parcel, the levy of any local improvement district assessments (or other similar assessments) affecting any County Parcel, the execution of any latecomer's agreements affecting any County Parcel and/or the execution of any covenants that improve the value or enhance the salability of any County Parcel.

11. Uniform Commercial Code

Grantor hereby grants to Beneficiary a security interest in every portion of the Property that is covered by the Uniform Commercial Code, as adopted in the State of Oregon ("UCC"). Grantor and Beneficiary shall respectively become the debtor and secured party under a UCC financing statement affecting the Property ("Financing Statement"), this Deed of Trust shall be the security agreement (as defined in the UCC), and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be, at Beneficiary's election, as prescribed (a) herein, (b) by general law, or (c) as to such part of the Property that is also reflected in the Financing Statement, by the UCC. Notwithstanding the filing of the Financing Statement in the records normally used for personal property, Grantor and Beneficiary intend that all items included in the Property be regarded at all times, for all purposes and in all proceedings, both legal and equitable, as part of the County Parcels. Grantor and Beneficiary intend to file the Financing Statement for Beneficiary's protection in case any court or judge at any time holds that notice of Beneficiary's first priority lien on the Property must be filed in the UCC records normally used for personal property in order to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government. Grantor shall pay to Beneficiary on demand any expenses incurred by Beneficiary in connection with the preparation, execution and filing of the Financing Statement and any continuation statements. Beneficiary may at any time file a copy of this Deed of Trust as a financing statement. In addition, this Deed of Trust constitutes a fixture filing under the UCC, and shall be filed for record in the real property records of the county where the Property is located.

12. Financial Statements and Credit Reports

Upon request by Beneficiary from time to time, but no more than once per calendar year, Grantor shall furnish to Beneficiary copies of a current financial statement of Grantor prepared by a certified public accountant. Such financial statement shall be certified by Grantor as being an accurate, true and complete statement. In addition, Grantor shall furnish to Beneficiary, at Grantor's expense, a copy of a current credit report for Grantor. Such statement and report shall be issued within 30 days of such request and shall be in form and content satisfactory to Beneficiary.

13. Inspection of Premises

Grantor shall permit Beneficiary and its representatives to enter into and inspect the Property at any time and from time to time.

14. Eminent Domain

Grantor hereby assigns to Beneficiary any awards or damages in connection with any taking of the Property, or any part thereof, by the exercise of the power of eminent domain. Any such awards and damages shall be paid to Beneficiary. Beneficiary may apply or release such awards and damages received by it in the same manner and with the same effect as provided in Section 7.3 for disposition of proceeds of fire or other insurance.

15. Waiver of Default

By accepting payment of any sum secured hereby after its due date, Beneficiary shall not waive its right either to require prompt payment when due of all other sums so secured or to declare a default for the failure to make prompt payment. Beneficiary's waiver of the breach of any covenant shall not be construed as a waiver of the breach of any other covenant or a subsequent breach of the same covenant.

16. Reconveyance, Platting, Easements, Etc.

At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey all or any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

17. Reconveyance After Payment

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

18. Assignment of Rents

18.1 Assignment of Rents and Leases

As part of the consideration for the indebtedness evidenced by the County Note, and not as additional security therefor, Grantor hereby absolutely and unconditionally assigns and transfers to Beneficiary all right, title and interest of Grantor in and to: (a) any and all present and future leases and other agreements for the occupancy or use of all or any part of the Property, and any and all extensions, renewals and replacements thereof (collectively, "Leases"), (b) all cash or security deposits, advance rentals and deposits of a similar nature under the Leases; (c) any and all guarantees of tenants' or occupants' performances under any and all Leases, and (d) all rents, issues, profits and revenues (collectively, "Rents") now due or that may become due or to which Grantor may now or shall hereafter become entitled or may demand or claim (including Rents coming due during any redemption period), arising or issuing from or out of any and all Leases, including without limitation minimum, additional, percentage and deficiency rents and liquidated damages.

18.2 Collection of Rents

Prior to written notice of an event of default hereunder given by Beneficiary to Grantor, Grantor shall have a license to and shall, (a) collect and receive all Rents of the Property as trustee for the benefit of Beneficiary and Grantor, (b) apply the Rents so collected first to the payment of Impositions and other charges on the Property prior to delinquency, second to the cost of insurance, maintenance and repairs required by the terms of this Deed of Trust, third to the costs of discharging any obligation or liability of Grantor under the Leases, fourth to the indebtedness secured hereby, and a fifth, so long as no event of default under this Deed of Trust has occurred, to the account of Grantor. Upon delivery of written notice by Beneficiary to Grantor of an event of default hereunder stating that Beneficiary exercises its rights to the Rents, (1) Beneficiary shall, without any need to enter upon, take or maintain full control of the Property in person, by agent or by a court-appointed receiver, immediately be entitled to possession of all Rents from the Property as the same become due and payable, including, without limitation, Rents then due and unpaid, (2) all Rents shall immediately be held by Grantor as trustee for the benefit of Beneficiary only, and (3) Grantor shall direct each tenant or occupant under the Leases to pay all Rents to Beneficiary on Beneficiary's written demand therefor, without any liability on the part of such tenant or occupant to inquire further as to the existence of a default by Grantor. Grantor hereby appoints Beneficiary as Grantor's attorney-in-

fact to make such direction to tenants and occupants upon Grantor's failure to do so as required herein. Payments made to Beneficiary by tenants or occupants shall discharge the payors' obligations to Grantor. Beneficiary may exercise, in Beneficiary's or Grantor's name, all rights and remedies available to Grantor with respect to collection of Rents. Nothing herein contained shall be construed as obligating Beneficiary to perform any of Grantor's obligations under any of the Leases.

18.3 Grantor's Representations and Warranties

Grantor hereby represents and warrants to Beneficiary that (a) Grantor will not execute any other assignment of Leases or Rents, and (b) Grantor shall not perform any acts, and shall not execute any instrument, that would prevent Beneficiary from exercising its rights under this Section 18. Grantor shall execute and deliver to Beneficiary such further assignments of Leases and Rents as Beneficiary may from time to time request.

18.4 Leases of the County Parcels

Grantor shall comply with and observe Grantor's obligations as landlord under all Leases and shall do all that is necessary to preserve all Leases in force, free from any right of counterclaim, defense or setoff. Without Beneficiary's written consent, Grantor shall not (a) collect or accept payment of any Rents more than one month prior to the due date thereof, (b) execute, modify, surrender or terminate, or waive, discharge, release or modify the material obligations of any tenant or occupant under, any Lease now existing or hereafter made providing for a term (including any renewal term) of 5 years or more, or (c) request or consent to the subordination of any Lease to any lien subordinate to this Deed of Trust.

18.5 Possession; Appointment of Receiver

Upon any event of default hereunder, Beneficiary may, in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of, the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof in the same manner and to the same extent as Grantor could do the same, including without limitation the execution, enforcement, cancellation and modification of Leases, the collection of Rents, the removal and eviction of tenants and occupants, the making of alterations and repairs, and the execution and termination of contracts providing for management or maintenance of the leased property, all on such terms as Beneficiary considers best in order to protect the security of this Deed of Trust. Following an event of default

hereunder, Beneficiary shall be entitled (regardless of the adequacy of Beneficiary's security) to the appointment of a receiver, and Grantor hereby consents to the appointment of such receiver, who may serve without bond and may be Beneficiary or an employee of Beneficiary. The receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receivers, all the rights and powers granted to Beneficiary in this Section 18. Beneficiary or the receiver shall be entitled to receive a reasonable fee for managing the leased property.

18.6 Application of Rents

All Rents collected subsequent to delivery of written notice of an event of default hereunder by Beneficiary to Grantor shall be applied first to the costs, if any, of taking control of and managing the leased property and collecting the Rents (including without limitation attorneys' fees, receivers' fees, premiums on receivers' bonds, costs of maintenance of and repairs to the leased property, premiums on insurance policies, Impositions and other charges on the leased property and the costs of discharging any obligation or liability of Grantor under the Leases) and then to the indebtedness secured hereby. Beneficiary or any receiver shall be liable to account only for those Rents actually received. If Beneficiary has acted in good faith and without gross negligence, Beneficiary shall not be liable to Grantor, anyone claiming under or through Grantor or anyone having an interest in the leased property by reason of anything done or left undone by Beneficiary under this Section 18.

18.7 Deficiencies

To the extent that the costs of taking control of and managing the leased property, collecting the Rents, and discharging the obligations and liabilities of Grantor under the Leases, exceed the Rents of the leased property, the costs expended for such purposes shall be indebtedness secured by this Deed of Trust and shall be payable upon demand by Beneficiary and bear interest from the date of disbursement at the rate of 15% per annum or the maximum rate permitted by law, whichever is less.

18.8 Beneficiary Not Mortgagee in Possession

Nothing herein shall constitute Beneficiary a "mortgagee in possession" prior to its actual entry upon and taking possession of the leased property. A receiver's entry upon and taking possession of the leased property shall not constitute possession by Beneficiary.

18.9 Enforcement

Beneficiary may enforce this assignment without first resorting to or exhausting any security or collateral for the indebtedness secured hereby. This assignment shall terminate at such time as this Deed of Trust ceases to secure payment of indebtedness secured hereby.

19. Warranty of Title

Without limiting any warranties implied by law, Grantor represents and warrants to Beneficiary that (a) Grantor has the right to convey the Property to Trustee in trust for the benefit of Beneficiary, and (b) no consent of other parties is required as a condition to Grantor's executing and performing this Deed of Trust. Grantor shall forever warrant and defend title to the Property and will defend the validity and priority of the lien of this Deed of Trust against all claims and demands of all persons and parties made with respect to liens, liabilities and encumbrances other than the Permitted Encumbrances.

Grantor shall promptly pay and discharge any and all amounts which are now or hereafter become liens against the Property superior to the lien hereof or superior to any assignment of rents given to Beneficiary. If Grantor defaults in doing so, Beneficiary, upon 5 days' notice to Grantor, may pay and/or discharge the same, Grantor will repay the same to Beneficiary upon demand, and the amount thereof shall be secured by the lien of this Deed of Trust.

The covenants of this Section 19 shall survive any foreclosure and sale of the Property and any conveyance thereof by deed in lieu of foreclosure.

20. Events of Default

20.1 Events of Default

All terms used in this Section 20 that are not defined in this Deed of Trust shall have the meanings given them in the Agreement.

Events of default under this Deed of Trust shall include, without limitation the following events:

(a) Maker's, or a Related Entity's, or the Syres', as the case may be, failure to:

(i) Make any payment under the Security Documents, Related Entity Release Notes or Related Entity Release Mortgages or under any provisions of the Agreement

that survive closing within 10 business days after the due date;

(ii) Cure any default in the performance of any of its other obligations under the Security Documents, Related Entity Release Notes or Related Entity Release Mortgages or cure any default in the performance of any of its other obligations under the Agreement that survive closing within 30 days after written notice from Beneficiary, or, if such default cannot, by using substantial efforts, be cured within such 30-day period, commence such performance, by using substantial efforts, within such 30 day period, and diligently prosecute such performance to completion;

(iii) Keep the Parcels encumbered by this Deed of Trust or the Other Mortgages, Related Entity Release Mortgages or Canadian Parcel Mortgages, the Stock encumbered by the Stock Pledge, the partnership interests encumbered by the Related Entity Partnership Pledges, the stock encumbered by the Related Entity Stock Pledges, the Closing Sale Notes (and Closing Sale Mortgages) encumbered by Security Agreements, and the Paper Notes (and Paper Mortgages) encumbered by Security Agreements, clear of any liens, mortgages, encumbrances or security interests other than those created or permitted by this Deed of Trust or the Other Mortgages, Related Entity Release Mortgages, Canadian Parcel Mortgages, Stock Pledge, Security Agreements, Related Entity Partnership Pledges or Related Entity Stock Pledges;

(iv) Make, in accordance with this Deed of Trust and the Other Mortgages, Related Entity Release Mortgages and Canadian Parcel Mortgages, timely payments to the appropriate governmental and/or taxing authorities for Impositions relating to the Parcels encumbered hereby or thereby;

(v) Purchase any Paper Notes and deliver any Substitute Notes in accordance with Section 7.6 of the Agreement; and

(vi) Close the purchase and sale of any Canadian Parcels by the 2nd Closing Date or 3rd Closing Date in accordance with Sections 6.1.1 and 20.1.1 of the Agreement;

(b) Any occurrence, as of the date made or as of the date hereof, of any material misrepresentation by Grantor, any Related Entity or the Syres under any of the Security Documents, Related Entity Release Notes, Related Entity Release Mortgages or the Agreement;

(c) Any appointment of a trustee, receiver or liquidator of Grantor, a Related Entity, the Syres, any of the

County Parcels or other Parcels, or any part thereof, that is not dismissed within 30 days;

(d) (i) Any filing by Grantor, a Related Entity or the Syres of a petition in bankruptcy or for an arrangement or reorganization pursuant to the federal Bankruptcy Code or any similar federal or state law, (ii) the adjudication by decree of a court of competent jurisdiction of Grantor, a Related Entity or the Syres as bankrupt or insolvent, (iii) the making by Grantor, a Related Entity or the Syres of an assignment for the benefit of creditors, (iv) the admission in writing by Grantor, a Related Entity or the Syres of its (their) inability to pay its (their) debts generally as they become due, and (v) the consent by Grantor, a Related Entity or the Syres to the appointment of a receiver of the County Parcels, other Parcels or any other security for the County Note, Other Notes or any of the other Security Documents, or any part thereof;

(e) Any filing by any of Maker's, a Related Entity's or the Syres' creditors of a petition in bankruptcy against, or for reorganization of, Grantor, such Related Entity or the Syres pursuant to the federal Bankruptcy Code or any similar federal or state law, if such petition is not discharged or dismissed within 30 days after the date on which such petition was filed; and

(f) Any rendering of final judgment for the payment of US\$100,000 or more against Marker, a Related Entity or the Syres, if Grantor, such Related Entity or the Syres do not discharge it or cause it to be discharged within 30 days from the entry thereof, or do not appeal therefrom and secure a stay of execution pending such appeal.

20.2 Acceleration of Maturity; Foreclosure

If an event of default occurs hereunder, Beneficiary may, without giving Grantor prior notice thereof, declare all sums secured hereby immediately due and payable. In such event, Beneficiary may execute or cause Trustee to execute a written notice of the event of default and of its election to cause the Property, or any part thereof, to be sold to satisfy the obligations hereunder. Any such notice, any foreclosure in connection therewith and any other act or procedure related or incidental thereto shall be in conformity with ORS 86.705 et. seq. or any successor or similar laws. Notwithstanding the foregoing, if acceleration results from an event of default described in Section 20.1(a)(i) and after such acceleration Beneficiary accepts the late payment, together with any interest and late payment charge due thereunder, then such acceleration shall be deemed to have been revoked with respect to such event of default, but without waiving Beneficiary's

right to accelerate with respect to any future event of default.

Beneficiary's failure to exercise its option to accelerate payment of the sums secured hereby upon an event of default shall not constitute a waiver of (a) such default, (b) the right to exercise such option at a later time if such default continues to exist or (c) the right to exercise such option upon any other event of default. Beneficiary's right to accelerate payment of the sums secured hereby shall be in addition to all other rights and remedies of Beneficiary upon an event of default.

21. [Intentionally Omitted]

22. Trustee

22.1 Trustee's Duties

Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee shall notify Grantor and Beneficiary of any pending sale hereunder and of any action or proceeding brought by Trustee in which Grantor, Beneficiary or Trustee is a party.

22.2 Substitution of Trustee

Beneficiary may from time to time, as provided by law, appoint another trustee in place of Trustee, and thereupon Trustee shall be discharged, and the trustee so appointed shall be substituted as trustee hereunder with the same effect as if originally named Trustee hereunder.

23. Parcel Release

23.1 Parcel Release

Grantor may require Beneficiary to release any County Parcel (or portion thereof) from the lien of this Deed of Trust upon payment to Beneficiary of the amount set forth in EXHIBIT C attached hereto and made a part hereof (with respect to each County Parcel, "Release Amount") or such other amount as Grantor is permitted or obligated to pay under Section 7.3 of the Agreement in order for such Parcel (or portion thereof) to be released.

23.2 Conditions Precedent to Release

Notwithstanding anything in this Deed of Trust to the contrary, Grantor shall have no right to require Beneficiary to release any County Parcel (or portion thereof) from the

lien of this Deed of Trust unless the following conditions precedent have occurred:

(a) No event of default under this Deed of Trust, the Agreement or any of the Security Documents, Related Entity Release Notes or Related Entity Release Mortgages, and no event that with the giving of notice, the passage of time, or both, would constitute an event of default under this Deed of Trust, the Agreement or any of the Security Documents or any of the Related Entity Security Documents, or any of the Related Entity Release Notes or Related Entity Release Mortgages, is then continuing;

(b) Grantor shall have timely delivered to Beneficiary a written request that a release of a County Parcel (or portion thereof) be made, which request shall specifically describe the Parcel (or portion thereof) to be released (by city, county, State and sequence number);

(c) Grantor shall pay all ordinary costs and expenses incurred by Beneficiary and Trustee in effecting the release; and

(d) Grantor shall timely pay to Beneficiary the Release Amount of the County Parcel to be released or such other amount as Grantor is obligated or permitted to pay under Section 7.3 of the Agreement in order for such Parcel (or portion thereof) to be released.

24. Effect of Releasing Collateral, Etc.

If Beneficiary (a) releases any County Parcels (or portions thereof) or other part of the Property from the lien of this Deed of Trust, (b) releases any other Parcels (or portions thereof) or part of the property encumbered by any other Security Document from the lien of such other Security Document, (c) grants an extension of time on any payments under any of the Security Documents or the Guaranty, (d) takes other or additional security for the payment of the County Note or any of the other Security Documents, or (e) waives or fails to exercise any right granted in any of the Security Documents or the Guaranty, such act shall not release (i) Grantor, (ii) subsequent purchasers of the County Parcels (or portions thereof), any other parts of the Property, any other Parcels (or portions thereof) or any other parts of the property encumbered by any other Security Document, (iii) the Syres or (iv) any other guarantors or sureties of the County Note or any of the other Security Documents from any obligation under any of the Security Documents or the Guaranty, nor preclude Beneficiary from exercising any right, power or privilege it may have upon an event of default under any of the Security Documents. If Grantor grants any lien, mortgage, deed of trust or security agreement on the Property

junior to this Deed of Trust, such junior lien, mortgage, deed of trust or security agreement shall be subject to all releases under this Deed of Trust without notice to or the consent of the junior lienholder, mortgagee, deed of trust beneficiary or secured party.

25. Subordination of Leases

At any time and from time to time, without liability therefor, upon Beneficiary's written request, Trustee may execute a subordination agreement whereby this Deed of Trust shall become subject and subordinate, in whole or in part (but not with respect to the priority of entitlement to insurance proceeds or any award in condemnation), to any and all leases of all or any part of the Property, upon the proper recording thereof.

26. Execution of Further Instruments

Within 5 days after written request, Grantor shall execute, acknowledge and deliver to Beneficiary (a) a security agreement or other similar security instrument, in form satisfactory to Beneficiary, covering all property owned by Grantor that, in Beneficiary's sole opinion, is essential to the operation of the Property and concerning which there may be any doubt whether same has been included within this Deed of Trust under the laws of the State of Oregon, and (b) any financing statement, affidavit, continuation statement, or certificate or other document as Beneficiary may reasonably request in order to perfect, preserve, maintain, continue and extend the security interests under, and the priority of, such security instrument. Grantor shall pay to Beneficiary on demand all costs and expenses incurred by Beneficiary in connection with the preparation, execution, and filing of any such documents.

27. Marshalling of Assets

In any foreclosure and sale, the Property may, at Beneficiary's sole option, be sold as an entirety, and Grantor waives any and all rights to have the Property marshalled or sold in separate parcels in any set order. Beneficiary may release any party primarily or secondarily liable for any indebtedness secured hereby, grant extensions, renewals, and indulgences with respect to such indebtedness and apply any security or proceeds in which it may have an interest to the indebtedness secured hereby simultaneously or in any order.

28. Repayment of Beneficiary's Expenditures

Grantor shall reimburse Beneficiary and/or Trustee upon demand for the amount of all costs and expenses, including, without limitation, reasonable attorneys' fees, paid or

incurred by Beneficiary and/or Trustee in connection with (a) the collection of any sum in default hereunder or under the County Note, (b) the enforcement of any obligation with respect to which Grantor shall be in default hereunder, (c) any foreclosure or partial foreclosure of this Deed of Trust, (d) the protection of Beneficiary's and/or Trustee's rights or lien hereunder, or (e) any litigation or dispute in which Beneficiary and/or Trustee becomes a party or otherwise becomes involved, without fault on its part, relating to the Property. The obligation of Grantor to pay such amounts shall be secured by the lien of this Deed of Trust. All such sums expended hereunder by Beneficiary and/or Trustee shall bear interest from date of expenditure at the rate of 15% per annum or the maximum rate permitted by law, whichever is less, and the repayment of such sums and interest shall be secured hereby.

29. Late Charge

If any payment due hereunder is not paid within 10 days after the date due, Grantor shall pay to Beneficiary, in addition to the delinquent payment and without any requirement of notice or demand by Beneficiary, a late charge equal to 5% of the amount of such delinquent payment or US\$100,000 (with respect to all of the Security Documents simultaneously breached by Grantor), whichever is less. Grantor expressly acknowledges and agrees that the foregoing late payment charge is reasonable under the circumstances existing on the date of this Deed of Trust, that it would be extremely difficult and impractical to fix Beneficiary's actual damages arising out of any late payment and that the foregoing late payment charge shall be presumed to be the actual amount of damages incurred by Beneficiary. Nothing in this Section 29 shall be construed as in any way excusing Grantor from its obligation to make each payment under this Deed of Trust promptly when due.

30. Use of Premises

The Property is not used principally or primarily for agricultural or farming purposes.

31. Notices

Any notices under this Deed of Trust shall be in writing and personally delivered, delivered by recognized overnight courier service or given by mail or via facsimile. Any notice given by mail shall be sent, postage prepaid, by certified or registered mail, return receipt requested. Any notice given via facsimile shall be verified by telephone. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

GRANTOR:

Trillium Corporation
1313 Commercial
Bellingham, Washington 98225
Attention: David R. Syre
Fax: (206) 676-7736

With a copy to: Brett & Daugert
300 North Commercial Street
Bellingham, Washington 98227
Attention: Steve Brinn, Esq.
Fax: (206) 647-1902

TRUSTEE:

Stewart Title Company of Oregon
9020 South West Washington Square Road,
Suite 220
Tigard, Oregon 97224
Fax: (503) 671-0515

BENEFICIARY:

Glacier Park Company
1011 Western Avenue, Suite 700
Seattle, Washington 98104
Attention: Mike E. Brandeberry
Fax: (206) 467-2626

With a copy to: Burlington Resources, Inc.
999 Third Avenue, 45th Floor
Seattle, Washington 98104
Attention: James W. Becker
Fax: (206) 467-3962

With a copy to: Perkins Coie
1201 Third Avenue, 40th Floor
Seattle, Washington 98101-3099
Attention: William L. Green, Esq.
Fax: (206) 583-8500

Any notice shall be deemed to have been given, if personally delivered, when delivered, and if delivered by courier service, one business day after deposit with such courier service, and if mailed, two business days after deposit at any post office in the United States of America, and if delivered via facsimile, the same day as verified.

32. Severance

Nothing contained herein shall require Grantor, nor permit Trustee, to do any act contrary to law; and if any clause or provision is unlawful, then such clause or provision shall be void, and the remainder of this Deed of Trust shall remain operative and in full force and effect.

33. Successors

This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their legal representatives, successors and permitted assigns.

34. Rule of Construction

In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. Words of broad or general meaning shall not be limited because of their use in connection with words of more restricted significance. The headings to the various sections and paragraphs of this Deed of Trust have been inserted for convenient reference only and shall not be used to construe this Deed of Trust.

35. Time of Essence

Time is of the essence hereof.

36. Cumulative Rights

The rights and remedies of Trustee and/or Beneficiary hereunder are cumulative and are not mutually exclusive or in lieu of any statutory, common law, equitable or other rights or remedies granted to or vested in Trustee and/or Beneficiary under the laws of the State of Oregon, including but not limited to a judicial foreclosure and sale plus deficiency judgment, or an action on the debt secured hereby.

37. Applicable Law

This Deed of Trust shall be construed and enforced according to the laws of the State of Oregon.

38. No Third-Party Beneficiary

No provision of this Deed of Trust is intended to make any person or entity a third-party beneficiary hereunder.

39. Purpose

Grantor represents and warrants to Beneficiary that this transaction is for commercial, business or investment purposes and was not made or guaranteed by an individual as part of a transaction primarily for personal, family or household purposes.

40. Further Representations and Warranties

Grantor represents and warrants to Beneficiary that
(a) Grantor is a corporation duly organized, validly existing

and in good standing under the laws of Washington State and is authorized to do business in the State of Oregon; (b) Grantor has duly authorized the execution and performance of this Deed of Trust, and (c) such execution and performance shall not violate the organizational documents of Grantor.

41. Survival of Representations and Warranties

All representations made by Grantor in this Deed of Trust are true and correct as of the date hereof and shall survive the closing of the loan that is evidenced by the County Note and the Other Notes.


42. No Oral Changes

This Deed of Trust may not be changed or terminated orally.

Grantor:

TRILLIUM CORPORATION, a Washington corporation

By


 Timothy Potts
 Vice President Finance

STATE OF WASHINGTON)
) ss.
 COUNTY OF KING)

On this 15th day of June, 1992, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared TIMOTHY POTTS, to me known to be the person who signed as Vice President Finance of TRILLIUM CORPORATION, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the corporation, that

he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Heather K. Lancaster
NOTARY PUBLIC in and for the State
of Washington, residing at Bothell.
My Appointment Expires: 2/19/93.

EXHIBIT "A"

Parcel 2

A portion of the NE $\frac{1}{4}$ of Section 8, T39S, R9E of the W.M., Klamath County, Oregon, described as follows, to-wit:

Beginning at the Northwest corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$; thence S21°10'W to the point of intersection with a line drawn parallel with and distant 160.0 feet Northwestery of, as measured at right angles to, Burlington Northern Railroad Company's (formerly Great Northern Railway Company) Main Track centerline, as now located and constructed; thence Northeasterly parallel with said Main Track centerline to the point of intersection with the North line of said NE $\frac{1}{4}$ of Section 8; thence Westerly along said North line to the Point of Beginning.

Seq. 29

Jel

EXHIBIT A
LEGAL DESCRIPTION

13278

Parcel 1912-1

A portion of Section 21, T41S, R12E, W.M., Klamath County, Oregon, described as follows:

Commencing at the Northeast corner of the NW1/4 of said Section 21; thence Southerly along the East line of said NW1/4 a distance of 100.0 feet to the True Point of Beginning; thence continuing Southerly along said East line to the point of intersection with a line drawn concentric with and distant 200.0 feet Northeasterly of, as measured radially to, said Main Track centerline; thence Southeasterly parallel with said Main Track centerline to the point of intersection with a line drawn parallel with and distant 360.0 feet Southerly of, as measured at right angles to, the North line of said Section 21; thence Easterly, parallel with said North line, a distance of 205.0 feet, more or less, to the point of intersection with the Northerly extension of a line drawn parallel with and distant 12.5 feet Westerly of, as measured at right angles to, said Railroad Company's most Easterly Spur track centerline; thence Southerly parallel with said most Easterly Spur track centerline and the Northerly extension thereof, to the point of intersection with the South line of the NW1/4 NE1/4 of said Section 21; thence Westerly along said South line to the point of intersection with a line drawn parallel with, and distant 9.0 feet Easterly of, Burlington Northern Railroad Company's most Easterly passing track centerline, as now located and constructed; thence Northwesterly parallel with said most Easterly passing track to the point of intersection with a line drawn parallel with, and distant 100.0 feet Southerly of, the North line of Section 21; thence Easterly along said parallel line a distance of 225.0 feet, more or less, to the Point of Beginning.

Parcel 1912-2

That portion of Section 21, T41S, R12E, W.M., Klamath County, Oregon, described as follows:

Beginning at the point of intersection of the South line of said Section 21 and a line drawn parallel with and distant 25.0 feet Easterly of, as measured at right angles to, Burlington Northern Railroad Company's Klamath Falls, Oregon, to Bieber, California, Branch Line Main Track centerline; thence Northerly parallel with said Main Track centerline to the point of intersection with a line drawn parallel with, and distant 9.0 feet Easterly of, said Railroad Company's most Easterly passing track centerline, as now located and constructed; thence Northwesterly parallel with said passing track to the point of intersection with the North line of the SW1/4 NE1/4 of said Section 21; thence Easterly along said North line to the point of intersection with a line drawn parallel with, and distant 200.0 feet Easterly of, said Main Track centerline; thence Southerly along said parallel line to the South line of said Section 21; thence Westerly along said South line to the Point of Beginning.

JL

EXHIBIT B

PERMITTED ENCUMBRANCES

- (a) All matters of record as of June 15, 1992, except for those created by, or permitted to be created by, Grantor other than in accordance with this Deed of Trust;
- (b) The lien of real estate taxes and assessments not yet delinquent;
- (c) Such state of facts as an accurate survey and/or physical inspection of the particular County Parcel would show; and
- (d) The preprinted form exclusions and preprinted general title exceptions listed on the ALTA standard 1987 form of title policy, including, without limitation:
 - (i) Public or private easements, streets, roads, alleys or highways, unless disclosed of record by recorded plat or conveyance, or decree of a court of record;
 - (ii) Rights or claims of persons in possession, or claiming to be in possession, not disclosed by the public records;
 - (iii) Material or labor liens, or liens under the Workmen's Compensation Act not disclosed by the public records;
 - (iv) Water rights or matters relating thereto;
 - (v) Any service, installation or construction charges for sewer, water, electricity or garbage removal;
 - (vi) Mining claims, reservations or exceptions in Patents or in Acts authorizing the issuance thereof;
 - (vii) Right of use, control or regulation by the United States of America in the exercise of powers over navigation; and
 - (viii) Any prohibition of or limitation of the use, occupancy or improvement of the particular County Parcel resulting from the rights of the public or riparian owners to use any portion which is now or has been formerly covered by water.

EXHIBIT C

13280

TRILLIUM II
 SCHEDULE OF ADJUSTED ALLOCATED PURCHASE PRICES,
 MORTGAGE AMOUNTS, AND RELEASE AMOUNTS BY COUNTY

ST	COUNTY	SEQ #	CITY	REMAINING ACRES	ADJUSTED ALLOCATED PURCHASE PRICE	MORTGAGE AMOUNT	ADJUSTED RELEASE PRICE
OR	KLAMATH	29 A	KLAMATH FALLS	8.07	\$7,808	\$5,620.77	\$8,589
OR	KLAMATH	1912 A	MALIN	13.80	89,374	64,337.94	98,311
TOTAL				21.87	\$97,182	\$69,958.71	\$106,900

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 16th day
 of June A.D., 19 92 at 3:31 o'clock P.M., and duly recorded in Vol. M92,
 of Mortgages on Page 13245.

FEE \$185.00

Evelyn Biehn County Clerk

By Debbie M. Nickerson