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RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

05-02-95P03:30 RCVD

TAX ACCOUNT NO. 68-6008483
(OREGON)]

Vol. 1795 Page 11374

THE BANK OF CALIFORNIA, N.A.
Commercial Service Center 400-3
400 California Street
San Francisco, CA 94103

Loan No. 5185166343

INSTRUCTIONS TO COUNTY RECORDER:

Index this document as
(1) a deed of trust

ATC # 04042974

OREGON
LINE OF CREDIT
DEED OF TRUST AND ASSIGNMENT OF RENTS

NOTICE: THE OBLIGATIONS SECURED BY THIS DEED OF TRUST PROVIDE FOR A VARIABLE INTEREST RATE.

NOTICE: THE OBLIGATIONS SECURED BY THIS DEED OF TRUST INCLUDE REVOLVING CREDIT OBLIGATIONS WHICH PERMIT BORROWING, REPAYMENT AND REBORROWING.

NOTICE: THIS DEED OF TRUST IS A "LINE OF CREDIT TRUST DEED" UNDER ORS 86.155. THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED UNDER THE NOTE (AS DEFINED BELOW) IS \$770,000.00. HOWEVER, SUCH MAXIMUM AMOUNT MAY BE EXCEEDED BY ADVANCES TO COMPLETE CONSTRUCTION UNDER ORS 86.155(2)(C). IN ADDITION, THE DEED OF TRUST SECURES ALL OTHER INDEBTEDNESS EVIDENCED BY THE SECURED OBLIGATIONS OR OTHERWISE CREATED IN CONNECTION WITH THE DEED OF TRUST, WHICH INDEBTEDNESS IS POTENTIALLY UNLIMITED. THE NOTE PROVIDES FOR A MATURITY DATE OF DECEMBER 5, 1995 (EXCLUSIVE OF ANY OPTION TO RENEW OR EXTEND).

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

This Deed of Trust, Assignment of Rents ("Deed of Trust"), dated as of April 21, 1995, is executed by LMJ CATTLE COMPANY, a Partnership ("Trustor"), as trustor, whose address is 565 Round-up Avenue, Red Bluff, CA 96080, in favor of Aspen Title & Escrow, Inc. ("Trustee"), as trustee, for the benefit of THE BANK OF CALIFORNIA, N.A., a national banking association ("Beneficiary"), as beneficiary, whose address is The Bank of California, N.A., 1805 Market Street, Redding, CA 96001, Attn: Jeff Vieira, Assistant Vice President. For Property located in Oregon or Washington, "Trustor" constitutes the Grantor as used in the trust deed statutes of those states. Each capitalized term used and not otherwise defined in this Deed of Trust shall have the meaning given such term in the "Note" (as defined below).

**ARTICLE 1
GRANT OF SECURITY**

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1.1 Grant of Security. Trustor, in consideration of the indebtedness secured by this Deed of Trust, irrevocably grants, transfers and assigns to Trustee, **IN TRUST, WITH POWER OF SALE, AND RIGHT OF ENTRY AND POSSESSION**, for the benefit and security of Beneficiary, all Trustor's existing and future rights, titles, interests, estates, powers and privileges in or to the following (collectively, the "Property"):

- (a) That certain real property ("Land") in the City of Forth Klamath, County of Klamath, State of Oregon, more particularly described on the attached Exhibit "A";
- (b) All buildings and other improvements now or hereafter located on the Land, including, but not limited to, the Fixtures (as defined below) and all other equipment, machinery, appliances and other articles attached to such buildings and other improvements (collectively, the "Improvements");
- (c) All fixtures (including without limitation goods that are or become so related to the Land or Improvements that an interest in them arises under real estate law) and any additions or replacements (collectively, the "Fixtures") now or hereafter located on, attached to, installed in or used in connection with the Land and the Improvements;
- (d) All rights, rights-of-way, easements, licenses, profits, privileges, tenements, hereditaments and appurtenances now owned or hereafter acquired by Trustor and used in connection with the Land and the Improvements or as a means of access to either or both, including, without limitation, all rights under any trackage agreement;
- (e) All of Trustor's existing and future right, title and interest in and to any land within the right-of-way of any open or proposed street adjoining the Land, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Land and Improvements;
- (f) All of Trustor's existing and future rights (including, without limitation, royalty and leasehold rights) oil, gas and other mineral rights in or relating to the Land;
- (g) All water, water rights and riparian rights (including, without limitation, shares of stock evidencing the same) in or relating to the Land;
- (h) All existing and future leases and subleases relating to the Land and Improvements or any interest in them including without limitation all deposits, advance rentals and other similar payments similar but not including the Rents, as defined and separately assigned in Article 4;
- (i) All options to purchase or lease the Land or Improvements or any interest in them (and any greater estate in the Land or Improvements and acquired by exercise of such options);
- (j) All Trustor's other existing or future estates, easements, licenses, interests, rights, titles, homestead or other claims or demands, both in law and in equity in the Land and Improvements, including, without limitation, (1) all awards made for the partial or complete taking by eminent domain, or by any proceeding or purchase in lieu of eminent domain, of the Property, and (2) all proceeds of any insurance covering the Property.

**ARTICLE 2
SECURED OBLIGATIONS**

2.1 Secured Obligations. This Deed of Trust, and the lien it creates, is made for the purpose of securing the following obligations (collectively, the "Secured Obligations"):

- (a) Payment of all indebtedness and performance of all other obligations evidenced by that certain Continuing Guaranty ("Guaranty") dated and executed as of April 21, 1995, in respect of the present or future indebtedness of James R. Owens, Trustee under the Owens Educational Trusts as borrower (referred to in this Deed of Trust as "Obligor") to Beneficiary as described in such guaranty, as such guaranty may be extended, replaced, and substituted from time to time with Beneficiary's and Trustor's written agreement.

- (b) the payment of all indebtedness and performance of all other obligations of Obligor to Beneficiary contained in (i) that certain Amended and Restated Line of Credit Agreement ("Loan Agreement") dated as of April 21, 1995, between Beneficiary and Obligor, as such agreement may be amended, replaced, and substituted from time to time and (ii) this Deed of Trust and Obligor's obligations under the other documents executed in connection with the Note and this Deed of Trust ("Loan Documents") other than any Hazardous Materials and Environmental Indemnity Agreement;
- (c) the payment of all indebtedness and performance of all other obligations which the then record owner of the Property may agree to pay and perform for the benefit of Beneficiary (including future advances to Obligor), and which are contained in a document which recites that it is secured by this Deed of Trust;
- (d) the payment by Obligor of all amounts advanced by (or on behalf of) Beneficiary or Trustee to improve, protect or preserve the Property or the security of this Deed of Trust, with interest on such amounts as provided in this Deed of Trust;
- (e) the payment and performance of all amendments, modifications, extensions, renewals and replacements of any of the foregoing (including, without limitation, (i) amendments or modifications of the required principal or interest payment dates accelerating or deferring any such payment dates, or (ii) amendments, modifications, extensions or renewals at a different rate of interest), whether or not evidenced by a new or additional promissory note or other document;
- (f) if the Property includes a leasehold estate, compliance with and performance of each obligation, covenant, and agreement of Obligor arising under or contained in the instrument(s) creating such leasehold; and
- (g) payment of charges as allowed by law, when such charges are made for any beneficiary statement or other statement regarding the Secured Obligations.

ARTICLE 3 COVENANTS

3.1 Payment of Secured Obligations. Obligor shall pay the Secured Obligations when due.

3.2 Maintenance, Repair, Alterations.

3.2.1 Maintenance, Repair and Alterations: Affirmative Covenants. Trustor shall:

- (a) keep the Property in good condition and repair; (b) complete promptly and in a good and workmanlike manner any Improvement which may be constructed on the Land, and promptly restore in like manner any Improvement which may be damaged or destroyed, and pay when due all claims for labor performed and materials furnished for such construction or restoration; (c) comply with all statutes, laws, ordinances, regulations, orders, rulings, rules, consents, permits, licenses, conditions of approval, and authorizations of any court or governmental or regulatory body having jurisdiction over Borrower, the Property, or Improvements ("Laws and Ordinances"); (d) comply with any condominium or other plan, declaration of covenants, conditions and restrictions, reciprocal easement agreements to which the Property is subject ("CC&R's"), and owners' association articles and bylaws affecting the Property; and exceptions to title acceptable to Beneficiary ("Permitted Exceptions"); (e) keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; (f) comply with the provisions of any leases constituting part of the Property; (g) obtain and maintain in full force and effect all permits necessary for the use, occupancy and operation of the Property; and (h) do any and all other acts, except as otherwise prohibited or restricted by the Loan Documents, which may be reasonably necessary to protect or preserve the value of the Property and the rights of Trustee and Beneficiary in it.

3.2.2 Maintenance, Repair and Alterations: Negative Covenants. Trustor shall not, except upon the prior written consent of Beneficiary, which shall not be unreasonably withheld or delayed:

- (a) remove, demolish or materially alter any of the Improvements, other than to make non-structural repairs in the ordinary course of business which preserve or increase the value of the Property; (b) commit, suffer or permit any act to be done in, upon or to any part of the Property in violation of any Laws and

Ordinances, CC&R's, or Permitted Exceptions now or hereafter affecting the Property; (c) commit or permit any waste or deterioration of the Property; (d) take (or fail to take) any action, which would increase the risk of fire or other hazard occurring to or affecting the Property or which otherwise would impair the security of Beneficiary in the Property; (e) abandon all or any part of the Property or leave the Property unprotected, unguarded, vacant or deserted; or (f) initiate, join in or consent to any change in any zoning ordinance, general plan, specific plan, private restrictive covenant or other public or private restriction limiting the uses which may be made of the Property by Trustor.

3.3 Insurance.

3.3.1 Policies Required. Trustor shall at all times maintain in full force and effect, at Trustor's sole cost and expense, with insurers reasonably satisfactory to Beneficiary, the following policies of insurance in form, substance, and amounts reasonably satisfactory to Beneficiary:

- (a) public liability insurance in amounts reasonably required by Beneficiary from time to time;
- (b) fire and hazard "all risk" insurance covering 100% of the replacement cost of the Improvements and the Fixtures located on the Land in the event of (i) fire, lightning, windstorm, earthquake, vandalism, malicious mischief, (ii) all other risks normally covered by "all risk" coverage policies in the area where the Property is located, and (iii) loss by flood if the Property is in an area designated as subject to the danger of flood;
- (c) worker's compensation insurance and any other insurance required by law in connection with the Property;
- (d) property damage insurance in amounts reasonably required by Beneficiary from time to time;
- (e) all rental loss insurance and business interruption insurance that Beneficiary reasonably requires (including insurance against income loss during a period of restoration); and
- (f) all other insurance reasonably required by Beneficiary from time to time.

No less than 30 days prior to the expiration of each policy, Trustor shall deliver to Beneficiary evidence reasonably satisfactory to Beneficiary of renewal or replacement of such policy.

3.3.2 Required Policy Provisions. Each policy of insurance required under this Agreement shall:

- (a) provide that it shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to Beneficiary;
- (b) be primary insurance without right of contribution;
- (c) (for casualty insurance) include a "Lender's Loss Payable Endorsement" (Form 438BFU, or its equivalent) in form and substance satisfactory to Beneficiary, showing Beneficiary as "Lender", or (for liability insurance) shall name Beneficiary as an additional insured;
- (d) include only deductible amounts to which Beneficiary has previously consented in writing;
- (e) contain an agreed value clause sufficient to eliminate any risk of co-insurance, if it insures against damage to the Improvements;
- (f) be in form, substance, amount, and issued by companies (which must be rated Class A VII or better by Best's Insurance Reports) approved by Beneficiary; and
- (g) meet such other requirements as Beneficiary requires.

3.3.3 Claims. Trustor shall give Beneficiary immediate notice of any casualty to any portion of the Property, whether or not covered by insurance. If covered, Trustor authorizes Beneficiary, if Beneficiary so elects, to make

proof of loss, and to commence, to appear in, defend and prosecute any claim or action arising from any applicable policy and to settle, adjust or compromise any claim under any such policy. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact for all such purposes. Trustor shall not settle, adjust or compromise any such claim without the prior written approval of Beneficiary, which approval shall not be unreasonably withheld or delayed.

3.3.4 Delivery of Proceeds to Beneficiary. If, regardless of any "lender's loss payable endorsement" requirement set forth above, the proceeds of any casualty insurance policy described above are paid to Trustor, Trustor shall deliver such proceeds to Beneficiary immediately upon receipt.

3.3.5 Application of Casualty Insurance Proceeds. Any proceeds collected (the "Proceeds") under any casualty insurance policy described in this Deed of Trust shall be either applied to reduce the Loan balance or disbursed to Trustor as provided below:

Trustor shall deliver the Proceeds to Beneficiary, and Beneficiary shall hold the Proceeds in a noninterest bearing account to be used for repair or reconstruction of the Improvements, subject to the conditions set forth below and Beneficiary's customary disbursement procedures. However, if (i) the Beneficiary's security has been impaired, or (ii) if there is an uncured Event of Default, regardless of whether Beneficiary's security has been impaired, then Beneficiary in its sole discretion can apply the Proceeds to the loan evidenced by the Note and any other amounts secured by the Deed of Trust, whether or not then due, including without limitation principal and accrued interest and in such order as Beneficiary may determine. If Beneficiary elects to have the funds used for repair or reconstruction, Beneficiary will not be obligated to make any further disbursements under the Note until all of Beneficiary's customary disbursement procedures and all of the following conditions are satisfied, as determined by Beneficiary in its sole discretion:

- (a) Within sixty (60) days of such damage, destruction, or taking, Trustor presents to Beneficiary a restoration plan satisfactory to Beneficiary which includes cost estimates and schedules; and
- (b) Within three (3) months of such damage, destruction, or taking, Trustor and a contractor satisfactory to Beneficiary enter into a fixed price or guaranteed maximum price contract satisfactory to Beneficiary, providing for complete restoration in accordance with such restoration plan; and
- (c) To the extent the proceeds are insufficient to accomplish the restoration Trustor shall deliver to Beneficiary funds in the amount of such shortfall, which funds shall be assigned to Beneficiary as security for Trustor's obligations under this Deed of Trust and held and disbursed in the same manner as the proceeds; and
- (d) Beneficiary shall have reasonably determined that there is an identified source (whether from income from the Property, rental loss insurance or another source) sufficient to pay all debt service and operating expenses of the Property during the restoration required above; and
- (e) The (i) Proceeds (exclusive of rental loss insurance proceeds) for such damage or destruction, that are received by Beneficiary plus (ii) additional funds provided to Beneficiary by Trustor for restoration purposes are at least equal to such fixed price or guaranteed maximum price.

If Trustor complies with this Paragraph, Beneficiary shall disburse to such contractor(s), on Trustor's request, in accordance with the restoration contract and Beneficiary's customary disbursement procedures.

3.3.6 Restoration. Nothing in this Section 3 shall be construed to excuse Trustor from repairing and restoring all damage to the Property in accordance with other Loan Document provisions, regardless of whether insurance proceeds are available or sufficient or are disbursed and/or released to Trustor.

3.3.7 Assignment of Policies. If this Deed of Trust is foreclosed or other transfer of title or assignment of the Property is made in satisfaction of all or part of the Secured Obligations, then all right, title and interest of Trustor in and to all policies of insurance required by Section 3.3.1 above and all unearned premiums paid on them shall, without further act, pass to the purchaser or grantee of the Property.

3.3.8 Waiver of Subrogation. Trustor waives all right to recover against Beneficiary (or any officer, employee, agent or representative of Beneficiary) for any loss incurred by Trustor from any cause insured against or required by any Loan Document to be insured against; provided, however, that this waiver of subrogation shall not apply to any insurance policy if such policy's coverage would be materially reduced or impaired as a result. Trustor shall obtain only policies which permit this waiver of subrogation.

3.4 Condemnation and Other Awards. Upon learning of the actual or threatened condemnation or other taking for public or quasi-public use of all or any part of the Property, Trustor shall immediately notify Beneficiary and Trustee. Trustor shall take all actions reasonably required by Beneficiary or Trustee in connection with such condemnation or other taking to defend and protect the interests of Trustor, Beneficiary and/or Trustee in the Property. At Beneficiary's option, Beneficiary or Trustor may be the named party in such proceeding. Regardless of the adequacy of its security, Beneficiary shall be entitled to participate in, control, and be represented by counsel of its choice in such proceeding. All condemnation proceeds shall first be applied to reimburse Beneficiary and Trustee for all their costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement shall be applied by Beneficiary against the Secured Obligations in such order as Beneficiary may determine; provided, however, that if Beneficiary elects, in the exercise of its sole and absolute discretion, to waive the Event of Default described in Section 5.1.6, below, the balance of any compensation, awards, damages and other amounts received by Beneficiary shall be (i) disbursed to Trustor for repairs and reconstruction consistent with and in accordance with the procedures and other provisions, and subject to the conditions precedent, set forth in Section 3.3, above, for the application of casualty insurance proceeds (including, without limitation, requirements with respect to Trustor's deposit of additional funds and/or (ii) applied by Beneficiary against the Secured Obligations in such order as Beneficiary may determine. Application or release of condemnation proceeds pursuant to this Deed of Trust shall not cure or waive any Event of Default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

3.5 RESERVED.

3.6 Utilities. Trustor shall promptly pay all gas, electricity, water, sewer and other utility charges incurred for the benefit of the Property or which may become a lien against the Property; and all other similar public or private assessments and charges relating to the Property, regardless of whether or not any such charge is or may become a lien on the Property.

3.7 Liens; Non-Permitted Exceptions. Trustor shall not cause, incur, or permit to exist any lien, encumbrance or charge ("Non-Permitted Exceptions") upon all or any part of the Property or any interest in the Property other than Permitted Exceptions. Trustor shall pay and promptly discharge, at Trustor's sole cost and expense, all such Non-Permitted Exceptions. If Trustor fails to do so, then Beneficiary may, but shall not be obligated to, discharge them, without notice to or demand on Trustor, and without inquiring into the validity of such Non-Permitted Exceptions or the existence of any defense or offset to them. Beneficiary may discharge Non-Permitted Exceptions either by (i) paying the amount claimed to be due, or (ii) procuring their discharge by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or (iii) in any other manner permitted or required by law. Trustor shall, immediately upon demand by Beneficiary, pay Beneficiary's costs and expenses incurred in connection with such discharge, together with interest on such costs from the date of such expenditure until paid at the default rate of interest ("Default Rate") in the Note.

3.8 Sale or Lease of Property; Due on Sale Clause. Trustor shall not sell, lease or otherwise transfer all or any part of the Property or any interest in it without the prior written consent of Beneficiary, which consent may be granted or withheld in Beneficiary's sole and absolute discretion. All leases of any part of the Property must be submitted to Beneficiary for approval prior to execution. Transfers requiring Beneficiary's prior written consent shall include, without limitation, the following:

- (a) Involuntary transfers and transfers by operation of law;
- (b) Liens, encumbrances and assignments as security for obligations, whether voluntary or involuntary; and
- (c) The sale, issuance, disposition, encumbering or other transfer of all or any part of: any class of the outstanding capital stock in, or the beneficial interest of, Trustor, whether voluntary or involuntary.

No sale, lease or other transfer shall relieve Obligor from primary liability for its obligations under the Note and the other Loan Documents or relieve any guarantor from any liability under any guaranty. Upon any such transfer to which Beneficiary does not consent, Beneficiary at its option may, without prior notice, declare all Secured Obligations immediately due and payable without presentment, demand, protest or further notice of any kind, and may exercise all rights and remedies provided in this Deed of Trust.

3.9 Inspections. Trustor authorizes Beneficiary and its agents, representatives and employees, without notice, to enter at any time upon any part of the Property for the purpose of inspecting it and performing any of the acts Beneficiary is authorized to perform under this Deed of Trust or any of the other Loan Documents.

3.10 Defense of Actions. Obligor and Trustor shall notify Beneficiary of any action or proceeding purporting to affect (i) the security of this Deed of Trust, (ii) any of the other Loan Documents, (iii) all or any part of the Property or any interest in it, (iv) any additional or other security for the Secured Obligations, or (v) the interests, rights, powers or duties of Beneficiary or Trustee under this Deed of Trust. Obligor and Trustor, at no cost or expense to Beneficiary or Trustee, shall appear in and defend the same. If Beneficiary or Trustee elects to become or is made a party to such action or proceeding, Trustor shall indemnify, defend and hold Trustee and Beneficiary harmless from all related liability, damage, cost and expense incurred by either Trustee or Beneficiary (including, without limitation, reasonable attorneys' fees and expenses consistent with Section 3.13 of this Deed of Trust), whether or not such action or proceeding is prosecuted to judgment or decision.

3.11 Protection of Security. If Obligor or Trustor fails to make any payment or to do any act required by this Deed of Trust or any of the other Loan Documents, Beneficiary and/or Trustee may do so. Beneficiary or Trustee may decide to do so each in its own discretion, without obligation to do so, without further notice or demand, and without releasing Obligor or Trustor in such manner and to such extent as either may reasonably deem necessary to protect the security of this Deed of Trust. In connection with such actions Beneficiary and Trustee each have the right, without limitation, but not the obligation: (i) to enter upon and take possession of the Property; (ii) to make additions, alterations, repairs and improvements to the Property which in the judgment of either may be necessary or proper to keep the Property in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either may affect the security of this Deed of Trust or appear to be prior or superior to this Deed of Trust; and (v) in exercising such powers, to pay all necessary or appropriate costs and expenses and employ necessary or desirable consultants.

3.12 Beneficiary's Powers. If Obligor or Trustor fails to pay any sum, other than principal and interest on the Secured Obligations, or to perform or comply with any other obligation required by any Loan Document, Beneficiary at its election may pay such sum or comply with such obligation. Without affecting the liability of Obligor or Trustor or any other person liable for the payment of any Secured Obligation, and without affecting the lien or charge of this Deed of Trust, Beneficiary may, from time to time and without notice do any of the following: (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation (provided, however, that the consent of Obligor or Trustor shall be required for extension or alteration of any unpaid obligation of Obligor or Trustor to Beneficiary), (iii) waive any provision of this Deed of Trust or grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option all or any part of the Property, (v) take or release any other or additional security for any Secured Obligation, or (vi) make arrangements with debtors in relation to the Secured Obligations. Waiver by Beneficiary of any right or remedy as to any transaction or occurrence shall not be deemed to be a waiver of any future transaction or occurrence. By accepting full or partial payment or performance of any Secured Obligation after it is first due or after the filing of a notice of default and election to sell, Beneficiary shall not have thereby waived its right to (x) require prompt payment and performance in full, when due, of all other Secured Obligations, (y) declare a default for failure so to pay or perform, or (z) proceed with the sale under any notice of default and election to sell previously given by Beneficiary, or as to any unpaid balance of the indebtedness secured by this Deed of Trust.

3.13 Reimbursement of Costs, Fees and Expenses; Secured by Deed of Trust. Obligor shall pay, on demand, to the maximum allowable under applicable law, all costs, fees, expenses, advances, charges, losses and liabilities paid or incurred by Beneficiary and/or Trustee in administering this Deed of Trust, the collection of the Secured Obligations, and Beneficiary's or Trustee's exercise of any right, power, privilege or remedy under this Deed of Trust. Such amounts include, without limitation (a) foreclosure fees, trustee's fees and expenses, receiver's fees and expenses and trustee's sale guaranty premiums, (b) costs and fees paid or incurred by Beneficiary and/or Trustee and/or any receiver appointed under this Deed of Trust in connection with the custody, operation, use, maintenance, management, protection, preservation, collection, appraisal, sale or other liquidation of the Property, (c) advances made by Beneficiary and/or Trustee to complete or partially construct all or part of any Improvements which may have been commenced on the Land, or otherwise to protect the security of this Deed of Trust, (d) costs of evidence of title, costs of surveys and costs of appraisals, and (e) costs resulting from Obligor or Trustor's failure to perform any of the provisions of this Deed of Trust. Fees, costs, and expenses of attorneys include the reasonable fees and disbursements of Beneficiary's outside and staff counsel and of any experts and agents (including fees of law clerks, paralegals, investigators and others not admitted to the bar but performing services under the supervision of an attorney), and including such fees incurred in the exercise of any remedy (with or without

litigation), in any proceeding for the collection of the Secured Obligations, in any foreclosure on any of the Property, in protecting the lien or priority of the security, or in any litigation or controversy connected with the Secured Obligations, including any bankruptcy, receivership, injunction or other proceeding, or any appeal from or petition for review of any such proceeding. Reasonable counsel fees shall include fees incurred not only in enforcing the debt in any bankruptcy or receivership proceeding, but also any fees incurred in participating in the bankruptcy or receivership proceedings generally. Such sums shall be secured by this Deed of Trust and shall bear interest from the date of expenditure until paid at the default interest rate recited in the Note.

ARTICLE 4 ASSIGNMENT OF RENTS, ISSUES AND PROFITS

4.1 Assignment of Rents, Issues and Profits. Trustor absolutely, unconditionally, and irrevocably assigns and transfers to Beneficiary all of its right, title and interest in and to all rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Property (collectively, the "Rents"), and gives to Beneficiary the right, power and authority to collect such Rents. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in its name or in Trustor's name for all Rents, and to apply them to the Secured Obligations. However, Trustor shall have a license to collect and retain Rents (but not more than one month in advance unless the written approval of Beneficiary has first been obtained) so long as an Event of Default shall not have occurred and be continuing. The assignment of the Rents in this Article 4 is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest.

4.2 Collection Upon Default. Upon the occurrence of an Event of Default, Trustor's license to collect the Rents shall automatically terminate. Upon such termination, Beneficiary may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations, do any of the following: (i) enter upon and take possession of all or any part of the Property; and, (ii) with or without taking possession of the Property in its own name, sue for or otherwise collect such Rents (including those past due and unpaid, and all prepaid Rents and all other security or other deposits paid by tenants to Trustor); and (iii) apply the Rents (less costs and expenses of operation and collection, including, without limitation, attorneys' fees, whether or not suit is brought or prosecuted to judgment) to any Secured Obligation, and in such order as Beneficiary may determine even if payment or performance of said Secured Obligation may not then be due. Trustor agrees that, upon the occurrence of any Event of Default, Trustor shall promptly deliver all Rents and security deposits to Beneficiary. The collection of Rents, or the entering and taking possession of the Property, or the application of Rents as provided above, shall not (a) cure or waive any Event of Default or notice of default under this Deed of Trust, (b) invalidate any act performed in response to such Event of Default or pursuant to such notice of default, or (c) cause Beneficiary to be deemed a mortgagee-in-possession of all or any part of the Property.

4.3 Assigned Leases. Trustor agrees, with respect to each lease and sublease (collectively, the "Assigned Leases") any portion of which has been assigned to Beneficiary under this Deed of Trust, as follows:

4.3.1 Trustor shall promptly perform all of Trustor's obligations as landlord under each Assigned Lease and shall immediately notify Beneficiary in writing of any notice of default received by Trustor from the tenant. At Beneficiary's request, Trustor will have tenants execute estoppel certificates and subordination agreements acceptable to Beneficiary.

4.3.2 Trustor shall diligently enforce the performance of all of the obligations of the tenant under each Assigned Lease; shall not waive any default or waive, release or discharge any such tenant of or from any such obligation; and shall not cancel, terminate or modify any Assigned Lease without Beneficiary's prior written consent.

4.3.3 Trustor hereby represents and warrants to Beneficiary, with respect to each Assigned Lease that is presently in effect (collectively, the "Current Assigned Leases"), (a) that Trustor has delivered to Beneficiary a true and complete copy of each Current Assigned Lease, together with all amendments, modifications and supplements thereto; (b) that Trustor has not accepted any payment of rent (or other charge) under any Current Assigned Lease more than one month in advance; and (c) that, to the best of each Trustor's knowledge, no material default by Trustor or any other person under any Current Assigned Lease remains uncured.

4.4 Further Assignments. Upon Beneficiary's demand from time to time, Trustor shall execute and deliver to Beneficiary recordable assignments of Trustor's interest in any and all leases, subleases, contracts, rights, licenses and permits now or

hereafter affecting all or any part of the Property. Such assignments shall be made by instruments in form and substance satisfactory to Beneficiary; provided, however, that no such assignment shall be construed as imposing upon Beneficiary any obligation with respect thereto. Beneficiary may, at its option, exercise its rights under this Deed of Trust or any such specific assignment and such exercise shall not constitute a waiver of any right under this Deed of Trust or any such specific assignment.

ARTICLE 5 REMEDIES UPON DEFAULT

5.1 Events of Default. The occurrence of any of the following events or conditions shall constitute an event of default ("Event of Default") under this Deed of Trust:

- 5.1.1** Obligor or Trustor fails to pay any amount owing under this Deed of Trust when due; or
- 5.1.2** Trustor fails to pay any taxes, insurance premiums, assessments, or rents required under this Deed of Trust; or
- 5.1.3** Obligor or Trustor fails to observe or perform any other obligation contained in this Deed of Trust; or
- 5.1.4** The occurrence of an "Event of Default" under the Guaranty; or
- 5.1.5** A default under any other document or agreement secured by this Deed of Trust, subject to any applicable cure period stated in such document or agreement; or
- 5.1.6** A default under any unsecured Hazardous Materials and Environmental Indemnity Agreement executed by Obligor and/or any other party in connection with the loan evidenced by the Note.
- 5.1.7** All or any portion of the Improvements are destroyed by fire or other casualty and Obligor fails to satisfy all of the restoration conditions within the time periods specified in Section 3.3 of this Deed of Trust; or
- 5.1.8** All or any material part of the Land or Improvements is condemned, taken in eminent domain, seized or appropriated by any governmental or quasi-governmental agency or entity.

5.2 Acceleration Upon Default; Additional Remedies. Upon the occurrence of an Event of Default, Beneficiary may, at its option, terminate its obligations under the Loan Documents and declare all Secured Obligations to be immediately due and payable without any presentment, demand, protest or further notice of any kind; If the Loan Agreement provides for automatic acceleration upon any Event of Default, the Loan Agreement shall control and whether or not Beneficiary exercises said option to accelerate, Beneficiary may:

5.2.1 Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security,

- (i) enter upon and take possession of all or part of the Property, in its own name or in the name of Trustee,
- (ii) conduct environmental assessments and surveys and do any other acts which it deems necessary or desirable to preserve the value, marketability or rentability of all or part of the Property or interest in the Property or increase the Property's income, or protect the security of this Deed of Trust, and
- (iii) with or without taking possession of the Property, sue for or otherwise collect the Rents, including those past due and unpaid, and
- (iv) apply the Rents (less costs and expenses of operation and collection including attorneys' fees) to any Secured Obligations, all in such order as Beneficiary may determine.

The entering and taking possession of the Property, the collection of such Rents and their application shall not cure or waive any Event of Default or notice of default or invalidate any act done in response to them. Regardless of whether possession of the Property or the collection, receipt and application of any of the Rents is by Trustee,

Beneficiary or a receiver, the Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

5.2.2 Commence an action to foreclose this Deed of Trust, appoint a receiver, or specifically enforce any of the covenants contained in this Deed of Trust;

5.2.3 Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to sell the Property, which notice Trustee or Beneficiary shall cause to be recorded in the official records of the County in which the Property is located;

5.2.4 Exercise all of the rights and remedies available to a secured party under the Oregon Uniform Commercial Code in such order and in such manner as Beneficiary, in its sole discretion, may determine (including, without limitation, requiring Trustor to assemble the Collateral and make the Collateral available to Beneficiary at a reasonably convenient location); provided, however, that the expenses of retaking, holding, preparing for sale or the like shall include reasonable attorneys' fees and other expenses of Beneficiary and Trustee and shall be additionally secured by this Deed of Trust; and/or

5.2.5 Exercise all other rights and remedies provided in this Deed of Trust, in any Loan Document or other document or agreement now or hereafter securing all or any portion of the Secured Obligations, or provided by law or in equity.

5.3 Foreclosure By Power of Sale.

5.3.1 Should Beneficiary elect to foreclose by exercise of the power of sale contained in this Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured by this Deed of Trust as Trustee may require.

5.3.2 Upon receipt of notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such notice of default and election to sell as is then required by law. After such lapse of time, recordation of notice of default, and giving of notice of sale as are required by law, Trustee shall, without demand on Trustor, sell the Property at the time and place of sale fixed by it in said notice of sale, or as lawfully postponed. Trustee may sell the Property either as a whole, or in separate lots or parcels or items and in such order as Beneficiary may direct Trustee so to do, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers its good and sufficient deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals of any matter or fact in such deed shall be conclusive proof of their truthfulness. Any person, including, without limitation, Trustor, or Beneficiary, may purchase at such sale.

5.3.3 After deducting all fees, costs and expenses incurred by Beneficiary or Trustee in connection with such sale, including costs of evidence of title up to the maximum allowable by applicable law, Beneficiary shall apply the proceeds of sale to payment of (i) first, all amounts expended under the terms of this Deed of Trust which are not then repaid, with accrued interest at the Default Rate; (ii) second, all other Secured Obligations; and (iii) the remainder, if any, to the person or persons legally entitled.

5.3.4 Subject to applicable law, Trustee may postpone the sale.

5.3.5 A sale of less than the whole of the Property or any defective or irregular sale made under this Deed of Trust shall not exhaust the power of sale provided for in this Deed of Trust; and subsequent sales may be made until all the Secured Obligations have been satisfied, or the entire Property sold, without defect or irregularity.

5.4 Appointment of Receiver. Upon the occurrence of an Event of Default under this Deed of Trust, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Property or the interest of Trustor in it, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Property. Trustor irrevocably consents to such appointment and waives notice of any such application. Any such receiver(s) shall have all the usual powers and duties of receivers in similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, and shall continue to exercise all such powers until the date of confirmation of sale of the Property, unless such receivership is terminated sooner.

5.5 Application of Funds After Default. Except as otherwise provided in this Deed of Trust, upon the occurrence of an Event of Default, Beneficiary may, at any time without notice, apply to any Secured Obligation, in such manner and order as Beneficiary may elect, even if such Secured Obligation may not yet be due, the following: any amounts received and held by Beneficiary to pay insurance premiums or Impositions or as Rents, or as insurance or condemnation proceeds, and all other amounts received by Beneficiary from or on account of Obligor or the Property, or otherwise. The receipt, use or application of any such amounts shall not affect the maturity of any indebtedness secured by this Deed of Trust, any of the rights or powers of Beneficiary or Trustee under the terms of the Loan Documents, or any of the obligations of Obligor or any guarantor under the Loan Documents; or cure or waive any Event of Default or notice of default under any of the Loan Documents; or invalidate any act of Trustee or Beneficiary.

5.6 RESERVED.

5.7 Remedies Not Exclusive. Trustee and Beneficiary shall each be entitled to enforce payment and performance of any Secured Obligation and to exercise all rights and powers under this Deed of Trust or any other Loan Document or other agreement or any law, even if some or all of the Secured Obligations may be otherwise secured, whether by guaranty, mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance nor enforcement (whether by court action or pursuant to the power of sale or other powers herein contained) of this Deed of Trust shall impair Trustee's or Beneficiary's right to realize upon or enforce any other security held by Trustee or Beneficiary. Trustee and Beneficiary shall each be entitled to enforce this Deed of Trust and any other security for the Secured Obligations held by Beneficiary or Trustee in such order and manner as they may in their absolute discretion determine. No remedy conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy in this Deed of Trust, any other agreement, or at law, but each shall be cumulative and in addition to every other remedy available to Beneficiary. Every power or remedy given by any of the Loan Documents to the Trustee or Beneficiary or to which either of them may be otherwise entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee or Beneficiary, and either of them may pursue inconsistent remedies. Trustor may be joined in any action brought by Beneficiary to foreclose under or otherwise enforce this Deed of Trust.

5.8 Request for Notice. Trustor requests that a copy of any notice of default and that a copy of any notice of sale under this Deed of Trust be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

ARTICLE 6 MISCELLANEOUS

6.1 Amendments. This instrument cannot be waived, modified, discharged or terminated except in writing signed by the party against whom enforcement of such changes is sought.

6.2 Waivers. Trustor waives, to the extent permitted by law, (i) the benefit of all laws (whenever enacted) providing for any appraisal before sale of any portion of the Property, and (ii) all rights of valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of this Deed of Trust, and (iii) all rights and remedies which Trustor may have under the laws of the State of Oregon regarding the rights and remedies of sureties.

6.3 Hazardous Materials. Except as disclosed in writing to Beneficiary, Trustor:

- (a) is in full compliance with all Environmental laws and other Laws and Ordinances affecting the Property; and
- (b) knows of no existing or past presence of Hazardous Material in, on, or under the Land and Improvements.

"Environmental Laws" means any law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environment, including, without limitation, the laws identified in the definition of "Hazardous Material" below.

"Governmental Authority" means any court or governmental or regulatory body having jurisdiction over Trustor, Obligor, or the Property.

"Hazardous Material" means any hazardous or toxic substance, material or waste regulated by any local Governmental Authority, the State where the Property is located or the United States Government. The term "Hazardous Material" includes, without limitation, any substance, material or waste which is; (i) petroleum or any volatile derivative of petroleum; (ii) asbestos; (iii) designated as a "hazardous substance" pursuant to Section 311 of

the Federal Water Pollution Control Act (33 U.S.C. § 1317); (iv) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §§ 6901 *et seq.* (42 U.S.C. § 6903); (v) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §§ 9601 *et seq.* and the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); (vi) regulated by the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 1801 *et seq.*; (vii) any hazardous or toxic substance, material or waste regulated by any local Governmental Authority, the State where the Property is located or the United States Government; and (viii) if the Property is located in any of the three (3) following states, also includes, without limitation, the substances identified in the laws specified for such state:

Oregon: any material or substance which is (i) defined as a "hazardous waste", "PCB", "hazardous substance", "hazardous material" or "regulated substance" under Sections 465.200(9), 466.005(7), 466.005(12), 466.505(1), 466.605(7) and 466.705(16) of Chapters 465 and 466 of the Oregon Revised Statutes (Hazardous Waste and Hazardous Materials Law I and II) or (ii) defined as a substance which would otherwise be a hazardous waste except for the fact that it is not discarded, useless or unwanted as described in Section 466.205 of Chapter 466 of the Oregon Revised Statutes (Hazardous Waste and Hazardous Materials Law).

6.4 Third Party Trustor Provisions; Suretyship Waivers.

6.4.1 Waivers.

(a) Any Trustor ("Third Party Trustor") who is not an Obligor under a Secured Obligation waives any and all rights or defenses arising by reason of:

(i) the absence, impairment or loss of any right of reimbursement, contribution or subrogation, or any other right or remedy of Third Party Trustor against Obligor or any other Third Party Trustor or Person, or with respect to any security interest or other support for such Secured Obligation,

(ii) any disability or other defense of Obligor, or the partial or complete cessation from any cause whatsoever of the liability of Obligor for such Secured Obligation for any reason other than payment in full and final satisfaction,

(iii) the application by Obligor of the proceeds of any such Secured Obligation for purposes other than the purposes represented by Obligor to Beneficiary or Third Party Trustor or intended or understood by Beneficiary or Third Party Trustor,

(iv) any act or omission by Beneficiary which directly or indirectly results in or aids the discharge of Obligor or any of such Secured Obligation by operation of law or otherwise,

(v) the statute of limitations in any action under this Deed of Trust or in any action for the collection of any such Secured Obligation,

(vi) the omission of any demand, presentment, protest or notice of any kind, including without limitation notice of the existence, creation, incurring, modification, substitution or renewal of any new or additional Secured Obligations or of any action or non-action on the part of Obligor, Beneficiary or any other Person in connection with any such Secured Obligation, or

(vii) any exchange, release, loss, damage, impairment or non-perfection of any security or support for such Secured Obligation, or any release or amendment or waiver of or consent to departure from the terms of any security agreement, other support or any other Deed of Trust, for all or any of such Secured Obligation.

(b) Third Party Trustor waives all rights to require Beneficiary to (i) seek payment of such Secured Obligation from Obligor, any other Trustor or Person, or from any collateral securing such Secured Obligation, before enforcing this Deed of Trust against Third Party Trustor, (ii) apply any payments in any particular manner, including without limitation to apply any payments to any portion of such Secured Obligation secured by this Deed of Trust before applying them to anything else, (iii) give notice of the terms,

time and place of any public or private sale of personal property security for such Secured Obligation or comply with any other provisions of Section 9504 of the Uniform Commercial Code or its equivalent, from time to time in effect in the state governing such security interest, (iv) give notice to Third Party Trustor of any judicial or nonjudicial sale or foreclosure of any real property (other than Property) securing such Secured Obligation, or (v) enforce any remedy which Beneficiary now has or hereafter may have against Obligor, any other Trustor or Person, and waives any benefit of, and any right to participate in or direct the application of, any now existing or hereafter acquired security or support for such Secured Obligation.

(c) Third Party Trustor acknowledges that, in the absence of the following sentence, Third Party Trustor would be entitled under various legal doctrines (including without limitation subrogation, reimbursement, contribution or indemnification) to reimbursement from Obligor to the extent Third Party Trustor pays such Secured Obligation. Nonetheless, Third Party Trustor waives any and all rights of reimbursement under any legal doctrine including with limitation subrogation, indemnity, contribution, or any other claim arising from the existence or performance of this Deed of Trust which Third Party Trustor now or hereafter may have against Obligor or any Person, or their respective properties, directly or contingently liable for such Secured Obligation, or any direct or contingent security therefor. The preceding sentence shall remain in effect only until all of the Secured Obligations have been paid in full, including without limitation any portion thereof which exceeds the liability of Third Party Trustor under this Deed of Trust.

(d) Third Party Trustor waives notice of acceptance of this Deed of Trust. Without limiting the generality of the waivers contained in this Deed of Trust, Third Party Trustor waives all rights, defenses and other benefits under the following statutes, judicial decisions applying these statutes, and further waives all equivalent legal rules in any form in all applicable jurisdictions: California Civil Code sections 2787-2855. Third Party Trustor acknowledges that Beneficiary is relying on all of the waivers contained throughout this Deed of Trust in creating and continuing the Secured Obligations, and that these waivers are a material part of the consideration to Beneficiary for creating and continuing the Secured Obligations.

6.4.2 Deeds of Trust on Real Property. Third Party Trustor waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Third Party Trustor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise by the operation of any other law of California or by the operation of any similar law of any other jurisdiction. In the preceding sentence the word "creditor" means Beneficiary, and the word "principal" means Obligor or any person or entity directly or indirectly responsible in any manner for the performance of any of Obligor's obligations to Bank.

6.4.3 Subordination. All obligations and liabilities of whatsoever kind ("Third Party Indebtedness") of Obligor to Third Party Trustor now existing or hereafter incurred are hereby subordinated to all Secured Obligations, and until all Secured Obligations have been satisfied in full, no payment shall be made by Obligor or accepted by Third Party Trustor on any Third Party Indebtedness without Beneficiary's prior written consent. Should Third Party Trustor receive any payment or distribution of any kind in conflict with the provisions of this subordination clause, Third Party Trustor shall hold such funds or property as trustee for Beneficiary, and shall pay or transfer to Beneficiary all such funds or property promptly upon receipt on account of the Secured Obligations, but without reducing or affecting in any manner the liability of Third Party Trustor under the other provisions of this Deed of Trust. Beneficiary and Third Party Trustor may, but are not obligated to, enter into a separate subordination contract to further specify the terms and conditions of this subordination.

6.5 Statements by Trustor. Obligor and Trustor shall, within ten (10) days after notice from Beneficiary, deliver to Beneficiary a written statement setting forth the amounts then unpaid and secured by this Deed of Trust and stating whether any offset or defense exists against such amounts.

6.6 Statements by Beneficiary. For any statement or accounting requested by Obligor or any other entitled person pursuant to applicable law, or for any other document or instrument furnished to Obligor by Beneficiary, Beneficiary may charge: (i) the maximum amount permitted by law at the time of the request, (ii) if no such maximum, then the greater of Beneficiary's customary charges or the actual cost to Beneficiary.

6.7 Reconveyance by Trustee. Trustee shall reconvey the Property, without warranty, to the person or persons legally entitled to it upon (i) written request of Beneficiary stating that all Secured Obligations have been paid and fully performed, (ii) surrender by Beneficiary of this Deed of Trust and the Note to Trustee for cancellation and retention, and (iii) payment

by Obligor of Trustee's fees and the costs and expenses of executing and recording any requested reconveyance. The recitals in any such reconveyance of any matter or fact shall be conclusive proof of their truthfulness. The grantee in any such reconveyance may be described as "the person or persons legally entitled thereto."

6.8 Notices. All notices, demands, approvals and other communications provided for in this Deed of Trust shall be in writing and shall be personally delivered or mailed by United States first class mail, certified or registered, return receipt requested, postage prepaid, to the appropriate party at the address set forth in the first paragraph of this Deed of Trust. Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be deemed given (a) on the date of mailing if deposited in the United States mail in the city where the address of the addressee is situated, or otherwise (b) on the second Business Day after mailed. "Business Day" means any day other than a Saturday, Sunday, or a day on which Beneficiary is closed for business. Nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

6.9 Acceptance by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

6.10 Headings. Article and section headings are included in this Deed of Trust for convenience of reference only and shall not be used in construing this Deed of Trust.

6.11 Severability. Every provision of this Deed of Trust is intended to be severable. The illegality, invalidity or unenforceability of any provision of this Deed of Trust shall not in any way affect or impair the remaining provisions of this Deed of Trust, which provisions shall remain binding and enforceable.

6.12 Subrogation. To the extent that proceeds of the Note are used, either directly or indirectly, to pay any outstanding lien, charge or prior encumbrance against the Property, Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether such liens, charges or encumbrances are released.

6.13 No Merger of Lease. Foreclosure of the lien created by this Deed of Trust on the Property shall not destroy or terminate any Assigned Lease or other lease or sublease then existing and affecting all or any portion of the Property, unless the Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall terminate any Assigned Lease or other lease or sublease unless Beneficiary or such purchaser shall give written notice of termination to such tenant or subtenant. If both the lessor's and lessee's estate under any lease which constitutes a part of the Property shall become vested in one owner, this Deed of Trust and its lien shall not be destroyed or terminated by application of the doctrine of merger unless Beneficiary so elects, as evidenced by recording a written declaration so stating. Until Beneficiary so elects, Beneficiary shall continue to have and enjoy all of the rights, powers and privileges of Beneficiary under this Deed of Trust as to the separate estates.

6.14 Governing Law. This Deed of Trust shall be governed by, and construed in accordance with, the laws of the State of Oregon.

6.15 Statute of Limitations. Trustor hereby waives, to the fullest extent permitted by law, the right to plead, use or assert any statute of limitations as a plea, defense or bar to any Secured Obligation, or to any complaint or other pleading or proceeding filed, instituted or maintained for the purpose of enforcing this Deed of Trust or any rights under it.

6.16 Interpretation. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association. Any reference in this Deed of Trust to any document, instrument or agreement creating or evidencing an obligation secured hereby shall include such document, instrument or agreement both as originally executed and as it may from time to time be modified.

6.17 Trust Irrevocable. The trust created by this Deed of Trust is irrevocable by Trustor. All amounts payable by Obligor or Trustor pursuant to this Deed of Trust shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Obligor and Trustor waive(s) all rights conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any amount secured by this Deed of Trust and payable by Obligor and Trustor to Beneficiary or Trustee.

6.18 Further Assurances. Trustor agrees to do or cause to be done such further acts and things and to execute and deliver or to cause to be executed and delivered such additional assignments, agreements, powers and instruments, as Beneficiary or Trustee may reasonably require to: (i) correct any defect, error or omission in this Deed of Trust or the execution or acknowledgment of this Deed of Trust, (ii) subject to the lien of this Deed of Trust any of Trustor's properties covered or intended to be covered by this Deed of Trust, (iii) perfect, maintain, and keep valid and effective such lien, (iv) carry into effect the purposes of this Deed of Trust or (v) better assure and confirm to Beneficiary or Trustee their respective rights, powers and remedies under this Deed of Trust.

6.19 Trustee's Powers. Upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may (i) reconvey all or any part of the Property, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon, or (iv) join in any extension agreement, agreement subordinating the lien or charge hereof, or other agreement or instrument relating hereto or to all or any part of the Property. Trustee may take such action at any time, and from time to time, without liability and without notice, and without affecting the personal liability of any person for payment of the indebtedness or the performance of any other Secured Obligation or the effect of this Deed of Trust upon the remainder of the Property.

6.20 Substitution of Trustee. Beneficiary may, from time to time, by written instrument executed and acknowledged by Beneficiary and recorded in the county or counties where the Property is located, or by any other procedure permitted by applicable law, substitute a successor or successors for the Trustee under this Deed of Trust.

6.21 Successors and Assigns. Subject to Section 3.8, above, this Deed of Trust applies to, inures to the benefit of and binds all parties to this Deed of Trust, their heirs, legatees, devisees, administrators, executors, successors and assigns.

6.22 Fixture Filing. The personal property in which Beneficiary has a security interest includes goods which are or are to become fixtures on the Property. This Deed of Trust is intended to serve as a fixture filing pursuant to the terms of the applicable Uniform Commercial Code. This filing is to be recorded in the real estate records of the county in which the Property is located. In that regard, the following information is provided:

Name of Debtor: LMJ Cattle Company,
a California general partnership

Address of Debtor: 565 Round-up Avenue
Red Bluff, CA 96080

Name of Secured Party: The Bank of California, N.A.

Address of Secured Party: 1805 Market Street
Redding, CA 96001

6.23 Joint and Several Liability. If more than one individual or entity signs this Deed of Trust as "Trustor," the obligations of all such individuals and entities shall be joint and several.

6.24 Appraisal and Property Valuation Costs. Trustor acknowledges that Beneficiary has a legitimate business need to remain apprised of the current value of the Property, and Beneficiary from time to time after recordation of this Deed of Trust may order a valuation ("Subsequent Valuation") of the Property. Trustor shall cooperate in allowing Beneficiary or its agents reasonable access to the Property for the purpose of performing any such Subsequent Valuation, whether it is in the form of an appraisal or any other method of valuing the Property. Trustor shall pay promptly to Beneficiary, on demand, the costs of any such Subsequent Valuation, whether performed by employees, agents, or independent contractors of Beneficiary.

6.25 Married Persons. Any married person who signs this Deed of Trust agrees that recourse for all Secured Obligations may be had against his or her separate and community property.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY BENEFICIARY AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY BENEFICIARY TO BE ENFORCEABLE.

IN WITNESS WHEREOF, Trustor has duly executed this Deed of Trust as of the date first above written.

"Trustor":

LMJ Cattle Company, a Partnership

By: James R. Eden

Its: General Partner

ALL SIGNATURES MUST BE NOTARIZED
EXHIBIT A
TO THE OREGON LINE OF CREDIT
DEED OF TRUST AND ASSIGNMENT OF RENTS

PROPERTY DESCRIPTION

Exhibit A to OREGON, LINE OF CREDIT, DEED OF TRUST and ASSIGNMENT OF RENTS, dated as of April 21, 1995, executed by LMJ CATTLE COMPANY, a Partnership, as Trustor, in favor of Aspen Title & Escrow, Inc., as Trustee, for the benefit of THE BANK OF CALIFORNIA N.A. as Beneficiary.

PARCEL 1:

The E 1/2 SE 1/4 of Section 8; and the SW 1/4 and Lots 3 and 4, Section 9, Township 33 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 2:

The E 1/2 of the NE 1/4 of Section 8, Township 33 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Government Lots 1 and 2, Section 9, Township 33 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The W 1/2 of the NW 1/4 of Section 9, Township 33 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

LESS AND EXCEPT that portion deeded to the State of Oregon, by and through its Department of Transportation, recorded October 8, 1991 in Book M-91 at Page 20911.

CODE 8 MAP 3307-V0000 TL 1800
CODE 8 MAP 3307-V0000 TL 1500
CODE 8 MAP 3307-V0900 TL 200
CODE 8 MAP 3307-V0900 TL 300

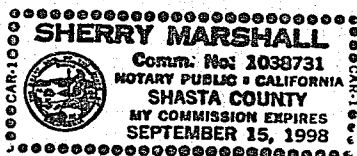
Initials: YMO.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CaliforniaCounty of ShastaOn May 1, 1995 before me, Sherry Marshall, Notary Public,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"personally appeared James R. Owens

NAME(S) OF SIGNER(S)

☐ personally known to me - OR - ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☒ PARTNER(S) ☐ LIMITED
☒ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

IMJ Cattle Company

DESCRIPTION OF ATTACHED DOCUMENT

Oregon
Line of Credit
Deed of Trust and Assignment of Rents

TITLE OR TYPE OF DOCUMENT

Seventeen (17)

NUMBER OF PAGES

April 21, 1995

DATE OF DOCUMENT

None

SIGNER(S) OTHER THAN NAMED ABOVE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 2nd day
of May A.D., 19 95 at 3:30 o'clock P M., and duly recorded in Vol. M95
of Mortgages on Page 11374

FEE \$95.00

By Bernetha G. Letson, County Clerk
Bernetha G. Letson