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Vol M02 Page 27754

PROPERTY ADDRESS:
USDA Forest Service Building
2819 Dahlia St.
Klamath Falls, Oregon

State of Oregon, County of Klamath
Recorded 05/09/2002 2:58 p m.
Vol M02, Pg 27754-27795
Linda Smith, County Clerk
Fee \$ 236.00 # of Pgs 42

DEED OF TRUST, ASSIGNMENT
OF LEASES AND SECURITY AGREEMENT

Dated: April 29, 2002

Deed of Trust Amount: \$2,400,000

RECORD AND RETURN TO:
George B. Heilig
PO Box 546
Corvallis OR 97339

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ALL INCLUSIVE DEED OF TRUST, ASSIGNMENT OF LEASES
AND SECURITY AGREEMENT

THIS ALL INCLUSIVE DEED OF TRUST, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT (this "Deed of Trust"), is made this 27th day of April ____, 2002, by and between DOUGLAS W. KIM and HAE-KYUNG "HELEN" KIM, husband and wife and IN (Palm Springs) LLC, an Oregon limited liability company (hereinafter collectively referred to as "Grantor"), FIRST AMERICAN TITLE INSURANCE COMPANY, having its principal address as 422 Main Street, Klamath Falls, Oregon 97601 (hereinafter referred to as "Trustee") and A2C3 PARTNERS, an Oregon general partnership (hereinafter collectively referred to as "Beneficiary").

WITNESSETH:

WHEREAS, Grantor is the holder of a fee simple interest of the property commonly known as the USDA Forest Service Building, 2819 Dahlia St., Klamath Falls, Oregon, together with the improvements located thereon, and more fully described in Schedule A attached hereto and made a part hereof (hereinafter referred to as the "Land" or "Property");

WHEREAS, Grantor is justly indebted to Beneficiary, in the original principal sum of TWO MILLION FOUR HUNDRED THOUSAND AND 00/100 DOLLARS (\$2,400,000) (the "Deed of Trust Amount") in lawful money of the United States of America for the balance due on the sale of the Property from Beneficiary to Grantor (hereinafter referred to as the "Indebtedness"), as evidenced by a certain Secured Promissory Note (hereinafter referred to as the "Note" or "Secured Promissory Note") dated the date hereof, which Note matures on September 1, 2013, as same may be extended pursuant to terms contained therein, and the terms covenants and conditions of which are specifically incorporated in this Deed of Trust by reference, made by Grantor and made payable to Beneficiary, with interest thereon, all on the rate and in the matter set forth in the Note; and

WHEREAS, the Note is a valid, binding and legally enforceable obligation of Grantor and this Deed of Trust is a valid, binding and legally enforceable instrument to secure payment of the principal of, prepayment premium, if any, interest on the Note and all other amounts and payments due under the Note and secured by this Deed of Trust (hereinafter sometimes collectively referred to as the "Indebtedness"), and the observation and performance of the covenants, terms and conditions set forth herein and in the provisions of the Note; and

WHEREAS, Grantor has received fair and adequate consideration as a result of the making of the Loan by Beneficiary to Grantor and Grantor desires and is required by Beneficiary to secure to Beneficiary the payment or repayment of the Indebtedness and compliance with the terms/ covenants and conditions, expressed or implied, set forth in the provisions of the Note and of this Deed of Trust; and

WHEREAS, the Property is subject to a First Trust Deed hereafter described and the parties intend that this trust deed be all inclusive and subject and subordinate to the First Trust Deed.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the Indebtedness and all other sums payable under the provisions of this Deed of Trust or the Note, of the execution and delivery by the Grantor to Beneficiary of the Note, and of Beneficiary's acceptance of the Note, of the respective representations, covenants and agreements hereinafter contained, and the recitals hereinabove set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor, does hereby irrevocably give, grant, bargain, sell, alienate, enfeoff, warrant, alien, remise, release, confirm, assign, transfer, mortgage, hypothecate, deposit, pledge and convey unto Trustee, in trust for the use and benefit of Beneficiary, its successors and assigns, in fee simple, all right, title and interest of Grantor now owned, or hereafter acquired, in and to each and all of the following, together with power of sale and right of entry and possession:

THE LAND, TOGETHER WITH all right, title and interest of Grantor in and to, and remedies under (a) any and all leases, subleases, license agreements, concessions, tenancies and other use or occupancy agreements (whether oral or written), or any part thereof, now or hereafter existing or acquired, covering or affecting any or all of the property encumbered by this Deed of Trust, all extensions and renewals thereof, and all modifications, amendments and guaranties thereof (each of which is hereinafter referred to as a "Lease" and collectively referred to as the "Leases"), and (b) any and all rents, income, receipts, revenues, royalties, issues, profits, contract rights, accounts receivable, termination payments, payments in lieu of rents or cancellation or general intangibles growing out of or in connection with the Leases, and other payments, payable to Grantor pursuant to any Lease, including, without limitation, cash or securities deposited under any Lease to secure performance by the tenants of their obligations under the Leases, whether such cash or securities are to be held until the expiration of the term of such Leases or are to be applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms (all of which are hereinafter referred to collectively as the "Rents"), and

TOGETHER WITH any and all rights, alleys, ways, tenements, hereditaments, easements, passages, waters, water rights, water courses, riparian rights, liberties, licenses, franchises, privileges, appurtenances and advantages, now or hereafter to the same belonging or in any way appertaining, as well as any after-acquired right, title, interest, franchise, license, reversion and remainder, and

TOGETHER WITH all right, title and interest of Grantor, including any after-acquired right, title or reversion, in and to the beds of the ways, streets, avenues and alleys, open or proposed, located wholly or partially within the boundary of the Land or adjacent thereto, and

TOGETHER WITH all buildings, structures, surface parking and other improvements of every kind and description now or hereafter erected or placed on the Land, all additions, alterations and replacements thereto or thereof, and all materials now owned or hereafter acquired by Grantor and intended for the operation, construction, reconstruction, alteration and repair thereof, all of which materials shall be deemed to be included within the property encumbered by this Deed of Trust, immediately upon the delivery thereof to the Land (all of which are hereinafter referred to collectively as the "Improvements"), and

TOGETHER WITH all of the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods of every kind and description whatsoever, now owned or hereafter acquired by Grantor and attached to or contained in and used for any present or future operation or management of the Land or the Improvements, including, without limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wires, switches, fans, switchboards, and other electrical equipment and fixtures; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals and compactors, dishwashers, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in any way in the operation of any Improvements or appurtenant facilities erected or to be erected in or upon the Land; and every renewal, replacement or substitution therefor, whether or not the same are now or hereafter attached to the Land in any manner; all except for any right, title or interest therein held by any tenant of any or all of the Land or the Improvements, or by any other person, so long as such tenant or other person is not a party hereto or bound, with respect to such right, title or interest, by the provisions hereof (all of which are hereinafter referred to collectively as the "Personal Property") (it being agreed and understood by the parties hereto that all Personal Property owned by Grantor and placed by it on the Land shall, so far as permitted by law, be deemed to be affixed to the Land, appropriated to its use, and covered by this Deed of Trust), and

TOGETHER WITH all of Grantor's right, title and interest in and to any and all easements and appurtenances, including, without limitation, (i) any drainage ponds or other like drainage area not located on the Land which may be required for water run-off, (ii) any easements necessary to obtain access from the Land to such drainage areas, or to any other location to which Grantor has a right to drain water or sewage, (iii) any land required to be maintained as undeveloped land by the zoning rules and regulations applicable to the property encumbered by this Deed of Trust, and (iv) any easements and agreements which are or may be established to allow satisfactory ingress to, egress from and operation of the Land, and

TOGETHER WITH any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (a) any condemnation, either temporarily or permanently, (b) any change or alteration of the grade or widening of any street or road, and (c) any other damage, destruction, or injury to, or decrease in value of, the property encumbered by this Deed of Trust, or any part thereof, to the extent of all Indebtedness which may be secured by this Deed of Trust at the date of receipt by Beneficiary of any such judgment, award of damages, payment, proceeds, settlement or other compensation, including interest thereon, and of the reasonable counsel fees, costs and disbursements, if any, incurred by Beneficiary in connection with the collection of such judgment, award of damages, payment, proceeds, settlement or other compensation, including interest thereon, and

TOGETHER WITH any and all payments, proceeds, settlements or other compensation heretofore or hereafter made, including any interest thereon, and the right to receive the same, from any and all insurance policies covering the property encumbered by this Deed of Trust or any portion thereof, and

TOGETHER WITH all plans and specifications, surveys, reports, diagrams, drawings, service contracts, accounting records, invoices, change orders, licenses, authorizations, certificates, variances, amounts, approvals and other permits necessary or appropriate to permit the construction, reconstruction, repair or alteration, addition, improvement, use, operation and management of the property encumbered by this Deed of Trust, and

TOGETHER WITH all of Grantor's cash, bank accounts, notes and other instruments, documents, accounts, accounts receivable, contract rights, permits, receipts, sales and promotional literature and forms, advertising materials and the like, trademarks, names, logos, copyrights and other items of intangible personal property now or hereafter owned or acquired by Grantor by Grantor relating to the ownership, operation, development, leasing or management of the property encumbered by this Deed of Trust, and

All of the foregoing, including the Land, the Improvements, fixtures, personal property, tenements, hereditaments, appurtenances and other interests being hereinafter referred to as the "Property."

TO HAVE AND TO HOLD the Property and any and all other interests described above unto Beneficiary, its survivors or other successor or successors in trust and their assigns, in fee simple,

To secure to Beneficiary the prompt payment and performance of Grantor's obligations, including the payment when due of the Indebtedness and Grantor's obligations hereunder, including without limitation (a) the prompt performance of, observance of and compliance with, by Grantor, all of the terms, covenants, conditions, stipulations and agreements, express or implied, contained in the Security Documents, as hereinafter defined, and (b) the reimbursement to Beneficiary, and any purchaser or grantee under any sale made under the provisions of this Deed of Trust, of all money which may be advanced as provided herein and all expenses (including attorneys' fees) incurred or paid by Beneficiary on account of any litigation which may arise under this Deed of Trust, the Note or the Property, or in obtaining possession of the Property as hereinafter provided; and

PROVIDED, HOWEVER, that until the occurrence of a default hereunder, Grantor shall have the right to remain in quiet and peaceful possession of the Property, and to collect, receive and retain the Rents and

PROVIDED, FURTHER, that if Grantor pays or causes to be paid to Beneficiary all sums secured by this Deed of Trust on the dates and in the manner provided in the Note and in this Deed of Trust, and observes and performs or causes to be observed and performed all of the terms and conditions contained in this Deed of Trust, the Note, and any of the other Security Documents, then upon proof being given to the satisfaction of Beneficiary that the Indebtedness has been paid or satisfied in full according to the terms of the Note, and that all of Grantor's obligations under this Deed of Trust have been fully satisfied, and upon payment of all fees, costs, charges and liabilities chargeable to or incurred by Beneficiary or otherwise provided for in this Deed of Trust, Beneficiary shall, on receipt of a written request therefor from Grantor, and at Grantor's sole expense (a) release and discharge the lien of this Deed of Trust and (b) cause this Deed of Trust to be cancelled and marked "satisfied" of record.

**TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR
HEREBY COVENANTS, AGREES AND WARRANTS AS FOLLOWS:**

Section 1. Definitions; Construction; Representations.

1.1. Definitions. Certain terms used in this Deed of Trust are defined in this Section 1.1. When used herein, such terms shall have the meanings given to them in this Section 1.1, unless specifically provided otherwise or unless the context clearly indicates otherwise.

1.1.1. "Act of Bankruptcy" means the filing of a petition in bankruptcy under the Bankruptcy Code or the commencement of a proceeding by or against Grantor, as debtor under any other applicable law concerning insolvency, reorganization or bankruptcy.

1.1.2. "Affiliate" shall mean, with respect to Grantor, any individual or entity that controls, is controlled by or is in common control with the Grantor or any individual or entity that owns any ownership interest in Grantor directly or indirectly.

1.1.3. "Affiliated Loans" shall mean the loans described on **Schedule B** annexed hereto, which have been advanced by Beneficiary to an Affiliate of Grantor.

1.1.4. "Assessment" means all real estate taxes, bonds, assessments, levies, water charges or rents, ground rents, sewer charges or rents, excise taxes, benefit charges assessed for water and sewer facilities, public dues, fines, impositions, and any other taxes or charges levied or assessed by any Governmental Authority against Grantor or upon any or all of the Property, including, by way of example, but not by way of limitation, all taxes to which Grantor and any other person in which the title to any or all of the Property may hereafter vest or may now or hereafter be liable under any Legal Requirements of any Governmental Authority, which under the provisions of such Legal Requirements may become a lien (including federal tax liens) upon the Property or be first distributable, allowable or payable, before any amount evidenced by the Note, out of the proceeds of any judicial foreclosure or any sale by power of sale of the Property, excluding, however, Beneficiary's income, franchise or similar taxes.

1.1.5. "Awards" means all awards or payments for direct, consequential or severance damages, and all other compensation, including settlement proceeds paid on account of any Condemnation.

1.1.6. "Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. §101 et seq., and all future acts supplemental thereto or amendatory thereof.

1.1.7. "Casualty" means any act or occurrence of any kind or nature, whether or not insured, which results in damage, loss or destruction to any or all of the Property or any interest therein.

1.1.8. "Casualty Proceeds" means any insurance proceeds payable on account of any Casualty.

1.1.9. "Condemnation" means any taking of title, of use, or of any other property interest for public or private use, or an actual or threatened action, under the exercise of the power of eminent domain by any governmental or quasi-governmental authority affecting any or all of the Property or any interest therein.

1.1.10. "Default Rate" means the lesser of (i) eighteen (18%) percent per annum or (ii) the highest rate of interest permitted under the laws of the State of Oregon. where the Property is situated.

1.1.11. "Event of Default" means anyone or more of the events or circumstances described in Section 13 of this Deed of Trust.

1.1.12. "Fiscal Records" means the financial books and records of Grantor prepared in accordance with generally accepted accounting principals applied on a consistent basis from year to year.

1.1.13. "Governmental Authority" means any federal, state, or local governmental or quasi-governmental subdivision, authority, agency, commission, board, person or other instrumentality thereof asserting or exercising jurisdiction over the Property.

1.1.14. "Guaranty of Payment" means that certain Guaranty of Payment of Specific Obligations dated as of the date hereof made by Grantor in favor of Beneficiary.

1.1.15. "Legal Requirements" means every federal, state and local statute, law, ordinance, regulation, rule, order, restriction, or other requirement of any court or Governmental Authority applicable to or affecting the Property or the use, condition or occupancy of the Property, whether now or hereafter enacted or adopted.

1.1.16. "Deed of Trust" means this Deed of Trust as originally executed between Grantor and Beneficiary, together with any and all modifications, amendments, extensions, renewals, increases, consolidations or supplements thereto.

1.1.17. "Beneficiary" shall mean Beneficiary and any Subsequent holder of the Note.

1.1.18. "Grantor" means the person named as the Grantor in the first paragraph of this Deed of Trust, until a successor or assign shall have become such pursuant to the applicable provisions of this Deed of Trust, and thereafter "Grantor" shall mean such successor or assign.

1.1.19. "Permitted Encumbrances" means as of any particular time (a) the instruments and matters affecting title to the Land enumerated in the policy of title insurance insuring the lien of this Deed of Trust issued to Beneficiary by Western Title Insurance Company under commitment number _____, (b) this Deed of Trust, (c) any Leases, so long as the same are permitted under the terms of this Deed of Trust and are subject and subordinate in all respects to this Deed of Trust and all of the other Security Documents, and (d) liens for Assessments not delinquent or being contested in good faith by appropriate proceedings.

1.1.20. "Person" means any natural person, corporation, receiver, trust, partnership, joint venture, unincorporated organization, association or other legal or commercial entity.

1.1.21. "Security Documents" means the Note, this Deed of Trust, the Guaranty any financing statements, or any other security agreement or instrument evidencing or securing the lien of this Deed of Trust upon the Property and any and all documents or instruments collateral thereto and executed and delivered or hereafter executed and delivered to secure the Indebtedness or any part thereof, or in connection therewith, together with all amendments, modifications, extensions, renewals, supplements and substitutions thereto.

1.2. Construction.

1.2.1. All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

1.2.2. The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants."

1.3. Representations and Warranties by Grantor. Grantor represents and warrants to Beneficiary:

1.3.1. Authority. Grantors have authority to execute and deliver this Deed of Trust and incur and perform the obligations provided for herein.

1.3.2. No Litigation. There is no litigation or proceeding pending, or to the best knowledge of Grantor threatened, against or affecting Grantor, or the Property in any court, or administrative agency or before any Governmental Authority or arbitration board or tribunal which involve the possibility of materially and adversely affecting the Property, business, prospects, profits or condition (financial or otherwise) of Grantor to perform their obligations under the Security Documents which is not fully covered by insurance, or which, in any way, could adversely affect the validity or enforceability of the Security Documents.

1.3.3. Security Documents Are Legal and Authorized. (a) The execution and delivery by Grantor of the Security Documents, and compliance by Grantor with all of the provisions thereof (i) are within the power of Grantor, (ii) will not conflict with or result in any violation of, breach of any of the provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Property, under the provision of, any agreement, charter document, by-law or other instrument or agreement to which Grantor is a party or by which they or the Property may be bound, or any applicable license, judgment, decree, or other Legal Requirement applicable to Grantor or any of its activities or the Property, and (iii) the Security Documents are valid and binding obligations of Grantor enforceable against Grantor in accordance with their respective terms.

1.3.4. Governmental Consent. Neither Grantor, nor any of their businesses or the Property, nor any relationship between Grantor and any other person, nor any circumstances in connection with the execution, delivery and performance by Grantor of the Security Documents, is such as to require the consent, approval or authorization of, or the filing, registration or qualification with, any Governmental Authority on the part of Grantor, other than those already obtained, made or done.

1.3.5. Title to Property. Grantor is the owner of good and marketable fee simple legal title to and is lawfully seized and possessed of the Property, free and clear of all liens, encumbrances or restrictions, except for the Permitted Encumbrances. Grantor does hereby warrant and agree to defend the Property and the title thereto, whether now owned or hereafter

acquired, against all claims and demands by any person claiming by, through or under Grantor. The Property consists of the USDA Forest Service Building at 2819 Dahlia St., Klamath Falls, Oregon 97601, occupied by the US Department of Agriculture, Forest Service, Pacific Northwest Region and the Department of Veterans Affairs. Grantor also represents and warrants that (i) Grantor is now, and after giving effect to this Deed of Trust will be in, a solvent condition, (ii) the execution and delivery of this Deed of Trust by Grantor does not constitute a "fraudulent conveyance" or a "fraudulent transfer" within the meaning of Title 11 of the United States Code as now constituted or under any other applicable statute, and (iii) no bankruptcy or insolvency proceedings are pending or contemplated by or against Grantor.

1.3.6. No Defaults or Restrictions. At the time of the execution and delivery of this Deed of Trust, no event has occurred and no condition exists that constitutes an Event of Default under this Deed of Trust or the Security Documents or which, with the lapse of time or with the giving of notice or both, would become an Event of Default under this Deed of Trust or the Security Documents. Grantor is not in default with respect to any order of any court, or other Governmental Authority or in violation in any material respect of any agreement, charter document, by-law or other instrument to which they are a party or by which they may be bound.

1.3.7. Compliance with Legal Requirements. Grantor is not in violation of any Legal Requirement to which it is subject and has not failed to obtain any licenses, permits, franchises or other authorizations of any Governmental Authority necessary to the ownership of the Property or to the conduct of its business. The Property, its operation and use, comply with all Legal Requirements.

1.3.8. Full Disclosure. Neither this Deed of Trust, nor any Security Document furnished by Grantor in connection with the purchase of the Land from Beneficiary, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact which Grantor has not disclosed to the Beneficiary in writing which materially and adversely affects nor, so far as Grantor can now foresee, is reasonably likely to affect materially and adversely the business, prospects or condition (financial or otherwise) of Grantor, or the operation and use of the Property, or performance under the Security Documents.

1.3.9. Environmental Indemnification. Grantor shall defend and indemnify Beneficiary and hold Beneficiary harmless from and against all loss, liability, damage and expense, including reasonable attorneys' fees and disbursements suffered or incurred by Beneficiary, whether as holder of the Note secured by this Deed of Trust, as mortgagee in possession, or as successor-in-interest to Grantor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder, (i) with respect to the presence of any Hazardous Materials or asbestos or the threat thereof affecting the Property, whether or not the same originates or emanates from the Property or any contiguous real estate, including any loss of value of the Property from the appraised value of the Property as of the date of this Deed of Trust as a result of the foregoing so long as no such loss, liability, damage and expense is attributable to any hazard resulting from actions on the part of Beneficiary; and (ii) with respect

to any other matter affecting the Property within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency charged with enforcement of Environmental Laws. Grantor's obligations under this Section shall arise upon the discovery of the presence of any Hazardous Materials or asbestos, whether or not the Environmental Protection Agency, any other federal agency or any state or local agency charged with enforcement of Environmental Laws has taken or threatened any action in connection with the presence of any such Hazardous Materials or asbestos.

1.3.10. Rights of Beneficiary. Upon the occurrence of any event resulting in the presence of any Hazardous Materials or asbestos or the threat thereof affecting the Property, whether or not the same originates or emanates from the Property or any contiguous real estate, or if Grantor shall fail to comply with any of the requirements of the Environmental Laws, Beneficiary may, at its election, but without the obligation to do so: (i) give such notices and/or cause such work to be performed at the Property; or (ii) take any and all other actions as Beneficiary shall deem necessary or advisable in order to abate the hazard, remove the Hazardous Materials or asbestos to cure noncompliance. Any amounts so paid by Beneficiary pursuant to this Section, together with interest thereon at the Default Rate from the date of payment by Beneficiary, shall be immediately due and payable by Grantor to Beneficiary and until paid shall be added to and become a part of the Indebtedness hereunder and shall be secured by this Deed of Trust.

1.3.11. Survival. The provisions of Sections 1.3.12 and 1.3.13 shall survive the repayment of the Indebtedness and the performance of Grantor's obligations hereunder.

1.3.12. Parking. There are and will always be sufficient (barring a condemnation of the Property) parking on the Property to meet all applicable zoning and other Legal Requirements, as they pertain to the Property.

Section 2. Performance Secured. This trust deed is given to secure the performance by Grantors and each of them, jointly and severally:

2.1 To secure the payment of a promissory note of even date herewith payable to Beneficiary or order and made by Grantors in the combined sum of \$2,400,000 with interest thereon accruing under the terms and provisions of said note with the final payment being due September 13, 2003.

2.2 The property herein is subject to a Trust Deed, Security Agreement and Assignment of Rents dated the 7th day of August, 1998 between A2C3 Partners, an Oregon general partnership, Grantor, First America Title Co. as trustee and Principal Commercial Advisors, Inc. an Iowa corporation, beneficiary, as subsequently assigned to Principal Life Insurance Co. assignee, given to secure a Secured Promissory Note of same date and further secured by the terms of a Guarantee, an Environmental Indemnity Agreement, Assignment of Leases and Uniform Commercial Code Security Agreements. The documents referred to in this subparagraph are collectively referred to as "First Trust Deed." Grantors herein have been provided copies thereof and ascent thereto.

2.3 The parties agree that as of the date hereof, One Million Four Hundred Eighty-three Thousand Ninety-eight and 81/100 Dollars (\$1,483,098.81) together with interest thereon at the rate of 7.49% per annum remains unpaid pursuant to the terms of the note secured by the First Trust Deed. With respect to the principal indebtedness of the Beneficiary herein to the holder of the note and First Trust Deed, the Beneficiary herein agrees to instruct the collection agent of this indebtedness to pay to the holder of the First Trust Deed the installments coming due thereon from the installments coming due under this indebtedness, this indebtedness being an "all inclusive" or "wrap around" trust deed subject and subordinate to the First Trust Deed.

2.3.1 Grantors shall assume the First Trust Deed upon payment in full of the sums due pursuant to Installment B of the Secured Promissory Note. Grantor acknowledges receipt of the assumption forms required by the holder of the First Trust Deed for assumption. Grantor shall pay all costs associated with assumption of the First Trust Deed.

2.3.2 Grantor covenants and agrees to pay all real property tax impounds or assessments coming due under the terms and provisions of the First Trust Deed. All such sums shall be paid to the Collection Agent hereafter designated.

2.4 Grantor herein will not make any payment whatsoever directly to the holder of the First Trust Deed or request any release, partial release, amendment, or other modification of the First Trust Deed without the prior written consent of the Beneficiary herein, its successors and assigns.

The Grantor shall render such performance to Beneficiary as may be required of Beneficiary by the terms of the First Trust Deed, other than payment of interest and principal required under the First Trust Deed.

2.5 In the event of default on the part of the Grantor hereunder or under the First Trust Deed, in addition to any other rights and remedies available to the Beneficiary, the Beneficiary may, but need not make any payment or perform any act required under the First Trust Deed, in any form and manner deemed expedient by the Beneficiary and may, but need not make full or partial payments of principal or interest on the First Trust Deed, and purchase, discharge, compromise, or settle the First Trust Deed and in the event the Beneficiary shall make any payments to the Beneficiary of the First Trust Deed, the Beneficiary shall be subrogated to the rights of the Beneficiary of the First Trust Deed against the Grantor and the property which is subject to the First Trust deed. Nothing herein shall be construed to reduce or expand the Beneficiaries' obligations as set forth here and above.

2.6 If for any reason, other than the Beneficiary's failure to make payments of installments of principal or interest on the First Trust Deed, as hereafter provided, the indebtedness secured by the First Trust Deed is accelerated or the Property or any part thereof is sold, or attempted to be sold, pursuant to such First Trust Deed, whether by power of sale, judicial action or otherwise, or any remedial action or proceeding is taken or instituted in respect of the Property or any part thereof under the First Trust Deed, the Grantor will indemnify and hold the Beneficiary herein harmless from any loss, cost, or expense incurred by the Beneficiary,

including reasonable attorney's fees, (i) in contesting any such action taken or instituted or in attempting to reinstate such First Trust Deed or (ii) incurred by the Beneficiary herein on account of the acceleration of the First Trust Deed, the sale of the Property pursuant thereto, or the Beneficiary's purchase or payment of the First Trust Deed.

2.7 In consideration of the execution and delivery of this Deed of Trust, the Beneficiaries agree to pay the installments of principal and interest as to Installment A as the same become due under the First Trust Deed, but only from, and to the extent of, the payments of principal and interest received by the Beneficiary on that portion of the Note hereby secured. The foregoing obligation shall in no event include in respect to the First Trust Deed, any penalty of premium or any amounts required to be paid in addition to principal or interest or any installments of principal or interest which become due by acceleration, except any such penalty, premium, or amounts required to be paid as a direct result of the Beneficiaries failure to perform its obligations hereunder. Notwithstanding the foregoing, the Beneficiaries obligations to make the respective payments of principal and interest as and when due under the First Trust Deed is conditioned upon the following:

2.7.1 The Grantors not being in default under this all inclusive Deed of Trust beyond the expiration of any applicable grace period;

2.7.2 Compliance by the Grantor with all other terms and provisions of the First Trust Deed other than the payment of interest, principal and tax escrow required by the First Trust Deed.

2.7.3 Notwithstanding all provisions here and above, Grantor shall pay as additional consideration, any and all fee, sum, or amount which may be due in the event Grantor should make application to Beneficiary for any payoff, prepayment as may be assessed and levied by the Beneficiary of the First Trust Deed.

2.8 The Grantors agree to comply with all of the terms and conditions of the First Trust Deed other than the payment of principal and interest and tax escrow there under. In the event that the Grantors shall fail to comply with all of the terms, provisions and conditions of the First Trust Deed, within the time set for performance thereof, such failure on the part of the Grantor shall constitute a default under this First Trust deed and shall entitle the Beneficiary, at its option, to exercise any and all rights and remedies given to the Beneficiary in the event of default hereunder. Any and all expenses, including but not limited to, title company charges, recording and filing fees, legal fees of the attorneys for the holder of this Deed of Trust and/or the First Trust Deed and the taxes, if any, that may be hereinafter imposed by any taxing authority in connection with compliance by the Beneficiary with the provisions hereof dealing with the payments made or to be made to the holder of the First Trust Deed shall be paid by the Grantor upon demand.

2.9 The Grantor herein agrees not to enter into any agreement with the holder of the First Trust Deed modifying or amending any of the provisions dealing with the payment of principal or interest thereunder without the prior written consent of the Beneficiary hereof.

2.10 In the event that the unpaid principal balance of the First Trust Deed is reduced by the holder of the First Trust Deed, applying insurance proceeds in the reduction thereof, the Beneficiary agrees that the Grantor's obligation to pay the total indebtedness to the Beneficiary hereunder shall be likewise reduced by an equivalent amount; such equivalent amount to be deducted in the same fashion.

2.11 The Grantor covenants that if requested by the Beneficiary and/or the title company at any time that the Beneficiary acquires or satisfies the First Trust Deed, it will execute and deliver to the Beneficiary such documents as may be required to evidence the unpaid balance owing on this Deed of Trust and the note it secures. The failure of the Grantor to furnish such statement within 10 days of the request thereof shall be deemed an acknowledgment by the Grantor, to the Grantor's best information and belief that no offsets or defenses exist against the Grantor's indebtedness under the note secured hereby and that regular installments of interest and principal thereon (and no other) have been made.

2.12 The Beneficiary herein agrees that if the Beneficiary acquires the First Trust Deed by assignment from the holder thereof or in lieu of satisfaction thereof, that the Beneficiary, upon payment to the Beneficiary by the Grantor of the total indebtedness of the Note secured by this First Trust Deed, will, at the option of the Grantor, execute and deliver to the Grantor an assignment or satisfaction of the First Trust deed together with an assignment or satisfaction of this Deed of Trust (all taxes and expenses, including the Beneficiary's reasonable counsel fees, in connection therewith to be paid by the Grantor).

2.13 Recognizing that the obligation to make payments of principal and interest to the holder of the First Trust Deed is solely that of the Beneficiary, except as otherwise expressly provided herein, the Grantor covenants and agrees not to make any such payment with respect to the First Trust Deed and further covenants and agrees not to enter into any agreement with the holder of the First Trust Deed modifying or amending any of the provisions dealing with payment of principal or interest thereunder without the prior written consent of the Beneficiary herein.

2.14 Providing that the Grantor is not in default hereunder, if the Beneficiary shall default in making any required payment of principal and/or interest under the First Trust Deed, the Grantor shall have the right to advance the funds necessary to cure such default and all funds so advanced by the Grantor shall be credited against the next installment of interest or principal secured by this Deed of Trust, under Installment B.

Section 3. Payment of Additional Sums. Grantor shall duly and punctually repay or cause to be repaid to Beneficiary according to the terms of this Deed of Trust, any additional sums advanced or expended by Beneficiary for Grantor's account, together with interest therein at the Default Rate.

Section 4. Performance of Security Documents. Grantor shall observe, perform and discharge all covenants, conditions and obligations of Grantor contained in the provisions of the Security Documents in accordance with their respective terms.

Section 5. Insurance. During the term of the Loan, Grantor shall obtain and maintain, without interruption, the insurance coverages stipulated hereunder.

5.1. Types of Insurance.

5.1.1. Property and Related Insurance. The Property shall be insured for the benefit of Beneficiary on a Replacement Cost basis, but in no event for an amount less than the Deed of Trust Amount plus the amount owed pursuant to any senior Deed of Trust. The policy shall provide that the interest of Beneficiary shall not be subject to depreciation should Grantor fail to replace the Improvements for whatever reason, unless upon the order of Beneficiary not to replace and, further, that the amount determined to be the replacement cost shall not be reduced and the release of the insurance proceeds after a loss shall not be contingent upon the building of the Improvements upon the Land, and the insured shall not be unreasonably restricted from applying such proceeds to the building of the Improvements at such other location as the insured shall elect. Full replacement cost is defined as the cost of replacing the Improvements, together with appurtenances and betterments, in compliance with the prevailing building codes without deduction for physical depreciation thereof at the time of replacement of property, following a loss. Full replacement cost shall be determined by an appraisal made at least once every three (3) years, by an appraiser, appraisal company or insurance company approved by Beneficiary. The value so determined shall be binding and conclusive upon the parties hereto. The policy will also contain an Agreed Amount Endorsement.

5.1.2. Rent Loss/Business Interruption. Grantor shall maintain rent loss/business interruption insurance sufficient to prevent Beneficiary from being a coinsurer under the terms of the policy and in an amount equal to projected gross income from the Property for a period equal to the greater of (i) twelve (12) months or (ii) the length of time it would take to demolish and rebuild the Property, as determined by Beneficiary in its sole discretion.

5.1.3. Boiler and Machinery Insurance. Grantor shall maintain boiler and machinery insurance covering physical damage to the Property and to the major components of any central heating, air conditioning or ventilation systems and such other equipment as Beneficiary may require. The policy shall include coverage for business interruption, including expediting and extra expense, in an amount not less than \$500,000.

5.1.4. Builder's Risk. During the period of any construction, repair, restoration or replacement of the Improvements or Property, Grantor shall obtain and maintain a completed value "All Risk" Builder's extended coverage policy (non-reporting form), including, without limitation, coverage for losses due to flood, earthquake and windstorm, in the amount of one hundred percent (100%) of the replacement cost of the Property. The policy shall also be endorsed to provide demolition and increased cost of construction to conform to local ordinance. This coverage may be provided as an extension to the in-force property policy described in Section 5.1.1 above provided the requirements therein set forth are satisfied.

5.1.5. Liability.

(a) Grantor shall obtain and maintain Comprehensive Public Liability insurance on the broadest forms issued by the respective insurer and written on an "occurrence policy form" against all claims for bodily injury, death, property damage, including personal injury and contractual liability (deleting any exclusion restricting coverage for contractual obligations for claims occurring on, in or about the Property and adjoining premises) in an amount not less than \$1,000,000. If liability coverage for the Property is included under Grantor's blanket policy written on an aggregate form, then the annual aggregate limit of insurance must not be less than \$2,000,000. The policy shall be endorsed to include Beneficiary as an additional insured subject to the benefits stipulated under Section 5.3.4 hereof.

(b) During any period of construction, repair, restoration, maintenance or replacement of Improvements on the Land, or with respect to the space of any concessionaire, Grantor shall cause the general contractor to maintain comprehensive general liability insurance, with extension to cover products/completed operations, with limits of not less than \$1,000,000 per occurrence. Grantor shall also cause the general contractor to require its subcontractors of any tier to provide confirmation of adequate comprehensive public liability and products/completed operations coverage with a limit of not less than \$1,000,000 and name Grantor and Beneficiary each as an additional insured, and, upon demand by Beneficiary, provide evidence satisfactory to Beneficiary that Grantor has complied with this covenant.

5.1.6. Flood and Earthquake Insurance.

(a) If at any time all or any part of the Property is in an area that has been identified by the Federal Insurance Administration as having special flood and mudslide hazards, and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, Grantor shall purchase and maintain a flood insurance policy satisfactory to Beneficiary. Grantor shall deliver to Beneficiary on or prior to the date hereof and thereafter upon request, a certificate or letter in a form satisfactory to Beneficiary stating that: (i) in the event that all or any part of the Property is in an area having special flood and/or mudslide hazards, the Property is insured for losses arising out of these perils, or detailing Grantor's commitment and ability to continue to make Loan payments in the event of a loss or, (ii) in the event all of the Property is not in a flood and/or mudslide hazard area, that the Property is not in such an area.

(b) If the Property is in an area identified by any governmental, engineering or any hazard underwriting agencies as being subject to the peril of earthquake, with a "Maximum Probable Loss" ("MPL") of between ten percent (10%) and twenty percent (20%), of the replacement cost of the Property, Grantor must obtain and maintain earthquake insurance equal to fifty percent (50%) of the replacement cost of the Property.

5.1.7. Worker's Compensation. During the term of the Loan, Grantor shall (a) cause the general contractor (including Grantor, if Grantor acts as a contractor and/or subcontractor of any tier) to obtain and maintain all such worker's compensation, employer's

liability or similar insurance to the fullest extent required under the laws of the State or Commonwealth where the Property is situated, which insurance shall cover all employees of the general contractor of Grantor, (b) cause the general contractor to require its subcontractors of any tier to provide confirmation that worker's compensation or similar insurance to the fullest extent required under the laws of the State or Commonwealth where the Property is situated is maintained for their respective employees, and (c) upon demand by Beneficiary, provide evidence satisfactory to Beneficiary that Grantor has complied with this covenant.

5.1.8. Other Insurance. In addition to the above, Grantor shall also maintain all insurance, surety and fidelity bonds required to be maintained by Grantor as landlord under the Leases, if any, and, when and to the extent required by Beneficiary, Grantor shall also maintain insurance or surety and/or fidelity bonds with respect to any other risks or hazards, whether or not specifically required, in amounts, and for such periods, that are prudent, that are now or hereafter customarily insured against by persons operating properties of like kind, construction and Occupancy in the locality of the Property, or as Beneficiary may from time to time require and approve. Compliance with insurance requirements will not in itself be construed to be a limitation of Beneficiary's liability.

5.2. Blanket Policies. Notwithstanding anything to the contrary contained in subsections 5.1.2, 5.1.3, 5.1.4, 5.1.6, 5.1.7 and 5.1.8, if any of the insurance required to be maintained by Grantor pursuant to such subsections is included under blanket policies carried by Grantor, such policies shall include warranties of the right to reinstate policy limits of not less than the amount specified in the applicable subsection, if any. Beneficiary shall reasonably determine whether such blanket policies provide sufficient limits of insurance.

5.3. Specific Requirements With Respect to Insurance. The following provisions shall apply with respect to the insurance coverage required by this Section 5.

5.3.1. Insurance Companies. All insurance required shall be issued by and carried with responsible insurance companies selected by Grantor and approved by Beneficiary, which approval shall not be unreasonably withheld. All policies of insurance shall be written by companies of recognized standing which are authorized to do business in the State of Oregon having a rating of at least A+:VII in Best's Key Rating Guide, and provided each such policy shall not have more than a \$25,000 deductible for any single casualty, except for mandatory deductibles where required under local regulations, or when required by insurers for specific catastrophic perils. Such coverage may be effected by endorsement of blanket insurance policies, provided, however, that the insurer under said policies meet the requirements set forth in this subsection.

5.3.2. Evidence of Insurance. Grantor shall deliver to Beneficiary, promptly upon the execution and delivery of this Deed of Trust and thereafter before the expiration date of each such policy, original policies (or renewals or extensions of the insurance afforded thereby) or certified duplicates thereof, or binders evidencing such insurance, or endorsements or certificates thereof in form and content satisfactory to Beneficiary including, without limitation, a certification that the full amount of insurance required hereby will continually be available to

Beneficiary and that the specific coverages requested are not contributory, participating with nor excess over any other insurance unless such other insurance is part of and applicable to the same risk, with the knowledge of, and no objection from, Beneficiary, together with receipts satisfactory to Beneficiary evidencing payment of the current premiums therefor. Grantor shall deliver to Beneficiary, at least thirty (30) days prior to the expiration or cancellation of, or material change in, any such insurance, additional policies or duplicates thereof, or binders evidencing the renewal of such insurance, or a certificate thereof accompanied by a certified copy of such renewal or extension with a receipt evidencing payment of the premium therefor. All binders, original policies or certified copies of policies, endorsements, copies of certificates, and cancellation notices are to be sent to Beneficiary at the following address: Corporate Risk and Insurance Department, [48th] Floor, 70 pine Street, New York, New York 10270.

5.3.3. Beneficiary and Loss Payee Clauses. The property insurance policies as required under subsections 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.6, 5.1.7 and 5.1.8 shall have attached thereto a standard non-contributing, non-reporting mortgagee clause or its equivalent satisfactory to Beneficiary in favor of and entitling Beneficiary to first priority to collect directly from the insurers the proceeds payable under such insurance as its interest may appear, and stipulating that this entitlement will in no way be adversely affected by any act, error or omission of Grantor which may void any or all coverages provided. The policies will also contain a standard waiver of subrogation provision or endorsement.

5.3.4. Cancellation. Grantor will immediately notify Beneficiary of any cancellation or non-renewal of any insurance policy and such or such material change as may adversely affect any insurance policy or coverage in force. Each such insurance policy to be provided hereunder shall contain an agreement by the insurer that it will not modify or cancel such policy except upon at least thirty (30) days' prior written notice to Beneficiary, and that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of Beneficiary or Grantor which might, absent such agreement, result in a forfeiture of all or apart of such insurance payment.

5.3.5. Payment of Premiums; Failure of Grantor to Effect Insurance. Grantor shall be solely responsible for, and promptly pay when due, any and all premiums on all such insurance. On each yearly anniversary of the date hereof, Grantor shall deliver to Beneficiary, copies of insurance policies, or binders or certificates as Beneficiary may require, dated as of such date, to the effect that there is then in force all such insurance which is then required to be maintained by Grantor. Should Grantor fail to effect, maintain or renew any of the insurance required hereunder in the required amounts, or to pay the premiums therefor, or to deliver to Beneficiary any evidence of such insurance or payment therefor as required hereunder, then in any of such events Beneficiary, at its option, but without obligation so to do, may procure such insurance, and any sums expended by it to procure any such insurance shall be payable by Grantor with interest, on demand, as provided in Section 12 hereof; however, it is expressly understood that procurement by Beneficiary of any of such insurance shall not be deemed to waive or release the default of Grantor, or the right of Beneficiary, at its option, to exercise the remedies hereinafter set forth upon the occurrence of an Event of Default. Beneficiary shall not be responsible for obtaining or maintaining any insurance required under the provisions of this

Section 5, and shall not, by reason of accepting, rejecting, approving or obtaining any such insurance, incur any liability for the existence, nonexistence, form or legal sufficiency thereof, the solvency of any insurer or the payment of any losses, and Grantor hereby expressly assumes full responsibility therefor and liability, if any, thereunder.

5.3.6. Sale Under the Deed of Trust. In the event of a sale of all or any part of the Property pursuant to the provisions of this Deed of Trust, or if the title to any or all of the Property is transferred in extinguishment of the Indebtedness, Beneficiary shall succeed to all the rights and interest of Grantor, including any right of Grantor to unearned premiums, in and to all such policies of insurance.

5.3.7. Separate Insurance. Without Beneficiary's prior written consent, Grantor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required hereunder.

5.3.8. Contravention of Insurance. Grantor will not intentionally do, allow or permit anything to be done on or about the Property that will affect, impair or contravene any policies of insurance that may be in force for the Property, or any part thereof, or the use thereof, against loss, damage or destruction by fire, casualty, public liability, or otherwise. Further, Grantor at its sole cost and expense, will comply and cause compliance of the Property and the operations, maintenance and use thereof with all insurance requirements, whether or not compliance therewith shall require structural changes in or interfere with the use and enjoyment of the Property or any part thereof.

5.3.9. Reinsurance. For all policies for which the insurer has purchased reinsurance, Grantor shall obtain a "cut-through" clause allowing recovery directly from the reinsurer in the event of the insurer's insolvency or cessation of insurance operations.

5.3.10. Joint Loss Agreement. Unless the insurance required in subsections 5.1.1, 5.1.3 and 5.1.4 hereof are provided on the same policy, a Joint Loss Agreement between separate policies must be provided on each policy.

5.4. Notice of Transfer or Casualty. Except as otherwise provided in this Deed of Trust, upon a change in ownership or occupancy of the Property, Grantor shall immediately notify in writing all insurers of the Property, provided that nothing herein shall be construed to permit such change in ownership if otherwise prohibited under the provisions hereof. If a Casualty occurs, Grantor will give immediate written notice to Beneficiary of the Casualty and Beneficiary may, but is not obligated to, make proof of such Casualty if not made promptly by Grantor. With the exception of the insurance coverage required pursuant to subsection 5.1.7 hereof, all insurance policies required by this Deed of Trust will allow, but not obligate, Beneficiary to participate in the adjustment and settlement of all claims expected by Beneficiary to exceed \$100,000.

5.5. Beneficiary's Rights. Grantor hereby authorizes Beneficiary, at Beneficiary's option, to collect, adjust and compromise, and agrees to make available to Beneficiary within five (5) days of Grantor's receipt thereof, any Casualty Proceeds claimed under any insurance Grantor is required to maintain under subsection 5.1 of this Deed of Trust and, after deducting the costs of such collection, adjustment and compromise, at Beneficiary's option: (a) to apply the Casualty Proceeds as a credit towards the Indebtedness in such manner as Beneficiary deems appropriate provided that if such Casualty Proceeds are applied by Beneficiary to reduce the outstanding principal balance of the Loan, such application shall cause a pro-rata reduction in debt service payments to maintain the interest rate set forth in the Note, or (b) to apply the Casualty Proceeds to the restoration of the Property (in which event Beneficiary shall not be obligated to see to the proper application of the Casualty Proceeds nor shall the amount so released or used be deemed a payment on the Indebtedness), or (c) to deliver the Casualty Proceeds to the owner of the Property, without a reduction of the Indebtedness. Notwithstanding the foregoing, all insurance policies covering the Property shall be for the benefit of, and be first payable in case of loss, to Beneficiary except that if Grantor is not in default under this Deed of Trust, or any of the Security Documents, and if no event has occurred which, with the giving of notice or passage of time, or both, would constitute a default, such proceeds shall be paid to Beneficiary and be held in trust and used for the purpose of restoring the Property. As additional conditions for the release of any Casualty Proceeds to Grantor, Grantor must comply with the foregoing in that (t) the contractor restoring the Property shall be reasonably acceptable to Beneficiary and payment of all obligations arising from such restoration shall be in amounts reasonably acceptable to Beneficiary; (u) the final plans and specifications for such restoration shall have been reviewed and reasonably approved in writing by Beneficiary and all restoration shall be performed pursuant to such plans and specifications; (v) Beneficiary shall be entitled, at the expense of Grantor, to consult with architects, engineers and such other professionals as Beneficiary reasonably deems necessary to determine the total costs of restoring the Property; (w) Beneficiary shall have received evidence that the applicable tenants' leases for the damaged space, or any other space, have not and will not terminate; (x) Beneficiary shall be in receipt of a certificate from an engineer satisfactory to Beneficiary stating that the Improvements are capable of being repaired or restored within twelve (12) months after the casualty; (y) projected net cash flow, as reasonably determined by Beneficiary, after completion of the restoration will be at a level at least reasonably equal to the greater of (i) the level immediately preceding such casualty, or (2) a debt coverage ratio, which when annualized would not be less than 1.28 to 1 as reasonably determined by Beneficiary; and (z) the casualty occurs before December 1, 2000. To the extent that the engineer's certificate indicates that the amount of the insurance proceeds will not be sufficient to repair or restore the Property, Grantor shall pay, prior to the disbursement of any insurance proceeds, the amount of such deficit to Beneficiary to be held in trust. If Grantor is unable to satisfy the foregoing conditions, or if the Property is not fully restored within one year, the casualty proceeds shall be applied towards the reduction of the principal balance of the loan or towards repair and restoration, as Beneficiary shall elect in its sole and absolute discretion. If Grantor is in default under the Security Documents or, if any event has occurred which, with the giving of notice or the passage of time, or both, would constitute a default, Beneficiary shall have the option of applying all insurance proceeds to the curing of the default or to the reduction of the principal balance of the Loan or both.

Section 6. Payment of Assessments and Insurance Premiums; Payments by Beneficiary.

6.1. Payment by Grantor.

6.1.1 Grantor shall pay or cause to be paid when due and before any penalty attaches or interest accrues all general taxes, special taxes, assessments (including assessments for benefits from public works or improvements whenever begun or completed), water charges, sewer service charges, CAM charges, if any, vault or space charges and all other like charges against or affecting the Property or against any property or equipment located on the Property, or which might become a lien on the Property, and shall, within 10 days following Beneficiary's request, furnish to Beneficiary a duplicate receipt of such payment. If any such tax, assessment or charge may legally be paid in installments, Grantor may, at its option, pay such tax, assessment or charge in installments.

6.1.2. Grantor shall (a) at least thirty (30) days before delinquency, duly pay or discharge, or cause to be paid or discharged all Assessments; (b) upon demand pay any ad valorem or excise tax or other public charge (other than any tax in the nature of an income tax) imposed or levied upon the Security Documents, including any interest and penalties incurred in connection therewith; and (c) at least thirty (30) days before delinquency, submit to Beneficiary evidence satisfactory to Beneficiary of the payment of each Assessment.

6.1.3. Grantor shall have the right to contest, in good faith, the amount, applicability or validity of any Assessment by appropriate judicial proceedings conducted promptly and at Grantor's sole expense, provided (i) Grantor shall have first given Beneficiary such security as it may request, in its good faith judgment, to insure such payment (in the event of a determination of such contest adversely to Grantor) and to secure and indemnify Beneficiary against any cost, expense, loss or damage in connection with such contest or such postponement of payment; (ii) Grantor shall not postpone payment if Beneficiary would thereby be subject to potential fine or penalty or prosecution for a crime, or the Property or any part thereof might, thereby be condemned, foreclosed upon, sold, forfeited or vacated, or the value of the Property might thereby, in the good faith judgment of Beneficiary, be impaired; and (iii) such proceedings shall not relieve Grantor of its covenant hereunder to pay such Assessments at the time and in the manner herein provided, or to extend the time for such payment, unless such judicial proceedings operate to prevent or suspend the collection of the Assessments so contested and the sale of the Property for or on account of the non-payment thereof.

6.2. Upon request of Beneficiary, Grantor shall deposit with and pay to Beneficiary, on each payment date specified in the Note secured by this Deed of Trust, a sum equivalent to: (1) the taxes and assessments assessed or levied against and next due on the Property divided by the number of payments that will become due and payable under the Note before the date when such taxes and assessments will become due and payable, plus (2) the premiums that will next become due and payable for insurance required by this Deed of Trust to be furnished by Grantor divided by the number of payments that will become due and payable under the Note before the date when such premiums will become due and payable. Beneficiary shall use such deposits to pay the taxes, assessments and premiums when the same become due. Beneficiary shall not be

liable for interest on such deposits. Grantor shall procure and deliver to Beneficiary, in advance, statements for such charges. If the total payments made by Grantor under this paragraph exceed the amount of payments actually made by Beneficiary for taxes, assessments and insurance premiums, such excess shall be credited by Beneficiary on subsequent deposits to be made by Grantor. If, however, the deposits are insufficient to pay the taxes, assessments and insurance premiums when the same shall be due and payable, Grantor will pay to Beneficiary any amount necessary to make up the deficiency, five (5) business days before the date when payment of such taxes, assessments and insurance premiums shall be due. If at any time Grantor shall tender to Beneficiary, in accordance with the provisions of the Note secured by this Deed of Trust, full payment of the entire indebtedness represented thereby, Beneficiary shall, in computing the amount of such indebtedness, credit to the account of Grantor any balance remaining in the funds accumulated and held by Beneficiary under the provisions of this paragraph. If there is an Event of Default under any of the provisions of this Deed of Trust resulting in a public sale of the Property, or if Beneficiary otherwise acquires the Property after an Event of Default, Beneficiary shall apply, at the time of commencement of such proceedings, or at the time the Property is otherwise acquired, the balance then remaining in the funds accumulated under this paragraph as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid under the Note. The provisions of this paragraph shall not affect the enforceability of the covenants relating to taxes, assessments and insurance premiums provided for in this Deed of Trust, except to the extent that obligations for the same have been actually met by compliance with this paragraph.

Any funds held under this paragraph shall not constitute any deposit or account of the Grantor or moneys to which the Grantor is entitled upon demand, or upon the mere passage of time, or sums to which Grantor is entitled to any interest or crediting of interest by virtue of Beneficiary's mere possession of such deposits. Beneficiary shall not be required to segregate such deposits or hold such deposits in any separate account for the benefit of Grantor. Beneficiary may hold such deposits in its general account or any other account and may commingle such deposits with any other moneys of Beneficiary or moneys which Beneficiary is holding on behalf of any other person or entity. Grantor hereby consents to the investment of such deposits by Beneficiary as outlined herein.

6.3. Payment by Beneficiary. Whether or not an Event of Default exists, if, in Beneficiary's sole judgment, any payment is necessary or desirable to protect the security interest intended to be created by this Deed of Trust, Beneficiary is authorized, in Grantor's place, (a) to pay any Assessment, sale, forfeiture, tax lien, or title or claim thereof made against the Property, and to make such payment according to any bill, statement or estimate procured from the appropriate Governmental Authority without inquiring into the accuracy of such bill, statement or estimate or into the validity of such Assessment, sale, forfeiture, tax lien, or title or claim thereof, or (b) to make any payment necessary to remove any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim or charge, and to be the sole judge of the legality or validity thereof, or (c) to pay the expense of any repair or replacement of any of the Property, and to be the sole judge of its state of repair and of the necessity for incurring the

expense of any such repair or replacement, or (d) to make any other payment for any other purpose herein and hereby authorized, but not enumerated in this subsection.

Section 7. Further Assurances. Within fifteen (15) days after Beneficiary requests Grantor to do so, Grantor shall execute, acknowledge, deliver and cause to be recorded and rerecorded, or filed and refiled, all further instruments, deeds, financing statements, renewals, continuation statements, transfers, assignments, or other documents that are necessary, in Beneficiary's sole opinion, (a) to correct any defect, error or omission which may be discovered in the contents of any of the Security Documents or in the execution or acknowledgment thereof, (b) to create, perfect, preserve, continue and protect the lien and security interest of this Deed of Trust on the Property, whether now owned or hereafter acquired by Grantor, (c) to secure the rights and remedies of Beneficiary hereunder or under the provisions of the Note, or (d) to better assure, assign and confirm to Beneficiary the Leases and Rents. Grantor shall pay to Beneficiary on demand all expenses, charges and taxes reasonably incurred by Beneficiary in preparing, executing, recording, rerecording, filing or refiling of any such document. Upon any failure by Grantor to do so, Beneficiary may make, execute and record any and all such instruments, certificates and documents for and in the name of Grantor, and at the sole expense of Grantor, and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor to do so, this appointment being coupled with an interest. Beneficiary may, at its option, advance the expenses incurred in making, executing and recording any and all such instruments, certificates and documents, and such sums advanced, with interest, will be repaid to Beneficiary by Grantor as provided in Section 12 hereof.

Section 8. Maintenance and Use of Property.

8.1. Obligations and Prohibitions. Grantor shall (a) keep and maintain the Property in good condition, repair and working order and supplied with all necessary equipment; (b) effect such repairs of the Property as Beneficiary may require; (c) from time to time make all needed and proper replacements to the Property so that the Property will at all times be in good condition, fit and proper for the purposes for which it was originally erected or installed; (d) not permit, commit or suffer any waste of the Property; (e) not sell, abandon, assign, lease, transfer, encumber (except for Permitted Encumbrances) or otherwise dispose of any or all of the Property or any interest therein, except as otherwise permitted in this Deed of Trust, without, in each instance, obtaining Beneficiary's prior written consent thereto; (f) except for the replacement of fixtures, personal property and non-structural elements of the Improvements made for the purpose of enhancing the economic viability of the Property, and by fixtures, personal property and nonstructural elements which are of at least like quality, not permit the removal, demolition or material alteration of any Improvement covered by the lien of this Deed of Trust, without, in each instance, obtaining Beneficiary's prior written consent to such alteration, and any such approved alteration shall be and become apart of the Property and subject to the lien and security interest of this Deed of Trust unless otherwise agreed to in writing by Beneficiary; (g) promptly repair, restore, replace or rebuild any part of the Property now or hereafter subject to the lien of this Deed of Trust which may be damaged or destroyed by any Casualty whatsoever or which may be affected by any Condemnation; (h) obey and comply with all Legal Requirements whether or not any such Legal Requirement shall necessitate

structural changes or improvement to the Property including, but not limited to, those Legal Requirements relating to the discharge and removal of Hazardous Materials and shall pay immediately when due the cost of removal of any such Hazardous Materials; (i) not install or permit the installation of any friable asbestos or any substance containing asbestos and deemed hazardous by Legal Requirements respecting such material; (j) observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, by way of example rather than of limitation, all zoning variances, special exceptions and non-conforming uses) , privileges, franchises and concessions which are applicable to the Property or are granted to or contracted for by Grantor for any existing or contemplated use of the Property; (k) obey and carry out every covenant, agreement, restriction and encumbrance contained in any instrument recorded among the Land Records in which this Deed of Trust is recorded or known to Grantor, which may from time to time be in force and apply to or affect the Property or Grantor's interest therein, and not use or permit the use of any or all of the Property in contravention thereof; and (l) permit Beneficiary, Beneficiary, and their agents or employees to enter upon and inspect the Property at any reasonable time during normal business hours.

8.2. Management of the Property. The Property shall constantly be operated and managed by Grantor, or by a managing agent, approved in writing by Beneficiary, pursuant to a management agreement, approved in writing by Beneficiary, which management agreement shall be in form and substance satisfactory to Beneficiary and its counsel, and shall not be materially modified or amended or cancelled or terminated without Beneficiary's prior written approval. Beneficiary hereby approves Brad Aspell (the "Manager") as managing agent of the Property, provided that any management agreement between Manager and Grantor shall be subject to the terms of this Section 8.2.

Section 9. Transfers, Liens and Encumbrances.

9.1. Liens and Encumbrances. Grantor shall not, without, in each instance, the prior consent of Beneficiary, which consent in any and all circumstances may be withheld in the sole and absolute discretion of Beneficiary, create, assume or incur or suffer to be created, assumed or incurred or to exist (i) any lien, encumbrance or charge against the Property or any interest of Grantor in the Property (except for Permitted Encumbrances), by or pursuant to any mortgage, security agreement or other instrument, as security for the repayment of any debt or the performance of any obligation or undertaking by Grantor or any other person; or (ii) any other lien, encumbrance or security interest. Grantor shall keep and maintain the Property free from the claims of all persons supplying labor or materials in connection with the construction or reconstruction of any Improvements on the Property, regardless of by whom such labor or materials may have been contracted.

9.2. Transfers and Encumbrances. No part of the Property nor any interest of any nature whatsoever therein nor any interest of any nature whatsoever in Grantor, (whether partnership, stock, equity, beneficial, profit, loss or otherwise) shall in any manner be encumbered, sold, transferred, assigned or conveyed, or permitted to be encumbered, sold, transferred, assigned or conveyed, except for Permitted Encumbrances, without the prior consent of Beneficiary, which

consent in any and all circumstances may be withheld in the sole and absolute discretion of Beneficiary. The provisions of the foregoing sentence of this Section shall apply to each and every such encumbrance, sale, transfer, assignment or conveyance, regardless of whether or not Beneficiary has consented to, or waived by its action or inaction its rights hereunder with respect to, any such previous encumbrance, sale, transfer, assignment or conveyance, and irrespective of whether such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason of operation of law or is otherwise made.

9.3. Permitted Transfers.

(a) If Grantor requests Beneficiary's consent to a proposed transfer, conveyance or further hypothecation, Beneficiary shall have the right (in addition to its absolute right to refuse to consent to any such transaction, to the extent permitted by law) to condition its consent upon satisfaction of anyone or more of the following:

(i) That the interest rate provided in the Note be increased to a rate acceptable to Beneficiary, provided said interest rate does not exceed the maximum lawful rate permitted by applicable usury laws;

(ii) That Grantor make a principal reduction, in an amount to be determined by Beneficiary;

(iii) That Grantor and each proposed transferee execute any and all instruments as Beneficiary shall require;

(iv) That the party to whom the Property is conveyed assume personal liability upon the obligations to be secured.

At least thirty (30) days prior to such a transfer Grantor must provide Beneficiary with all of the material provisions of such transfer, including, without limitation, the proposed date of transfer, and the name, net worth, background and address of the proposed transferee. Such notice shall be accompanied by the payment to Beneficiary of a nonrefundable fee in the amount of one-percent (1%) of the then outstanding indebtedness (including principal and interest), in cash or certified check to be retained by Beneficiary in consideration of Beneficiary's efforts in processing the materials submitted and in considering the proposed transferee.

Section 10. Assignment of Leases and Rents.

10.1. Assignment. As further and additional security for the due performance and observance of the covenants and conditions to be performed and observed by Grantor under the provisions of the Note and Grantor under this Deed of Trust, Grantor hereby assigns and transfers to Beneficiary (a) all Grantor's right, title and interest in and to all Leases, and (b) the immediate and continuing right to collect and receive all of the Rents payable to Grantor pursuant to each Lease; provided, that Grantor shall have a license, terminable by Beneficiary

upon the occurrence of an Event of Default, to collect any or all of the Rents when due, to hold them as a trust fund for the sole benefit of Beneficiary, and before using the Rents for any other purpose, to apply them to pay in such order and at such times as Beneficiary shall elect (1) any Assessment having priority over the lien created by this Deed of Trust, (2) the premiums for insurance which Grantor is obligated to pay pursuant to the terms of this Deed of Trust, (3) the principal of (prepayment premium, if any), interest on the Indebtedness and any other sums then due and secured by this Deed of Trust, and (4) any other expense or cost which Grantor is obligated to pay under the terms of this Deed of Trust. Upon the occurrence of an Event of Default, the license granted to Grantor hereunder shall be automatically and immediately revoked. Upon the revocation of such license, Beneficiary shall notify all tenants under the Leases that Beneficiary will thereafter collect all Rents directly and not through Grantor. The foregoing general assignment of Leases and Rents shall have priority over any future specific assignment of any of the Leases and the Rents to any person other than Beneficiary. Beneficiary may give written notice of the assignment described in this subsection 10.1 to any tenant, subtenant or other occupant pursuant to any Lease.

10.2. Approval.

(a) Grantor agrees that it will not enter into any lease without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld. In making its determination in approving any such lease, Beneficiary shall apply the criteria set forth in Section 10.2(b) below. Any lease forms to be used shall be submitted to Beneficiary for its prior written approval. In requesting Beneficiary's approval of a lease Grantor shall provide Beneficiary with: (i) such biographical and financial information about the proposed tenant as Beneficiary shall require in conjunction with its review as Beneficiary deems reasonably necessary; (ii) a copy of the proposed lease marked to show all changes from the standard form; (iii) a summary of the material terms of such proposed lease; and (iv) the tenant's intended use of the Property, including a list of any hazardous substances to be used on Property.

Grantor further covenants and agrees to assign and transfer to Beneficiary any and all future Leases upon all or any part of the Property and to execute and deliver, at the request of Beneficiary, all such further assurances and assignments with respect thereto as Beneficiary shall from time to time require.

(b) Notwithstanding the foregoing, provided there is no default under this Deed of Trust, nor an event which with notice or the passage of time, or both, would constitute a default under any of the Security Documents, a lease affecting the Property entered into after the date of the recordation of the Security Documents shall not require the Beneficiary's consent if (i) the lease is in substantially the same form as the standard form of lease approved by Beneficiary; (ii) the lease is with a bona-fide arm's length tenant; (iii) the lease contains no rental or other concessions not to exceed three months; (iv) the lease provides that the tenant pays for its pro-rata share of utilities, taxes, insurance premiums and other operating expenses; (v) the lease is for a term not more than seven (7) years; (vi) the tenant under such lease has been informed in writing that its Lease has been assigned to Beneficiary pursuant to the terms of the Security Documents; (vii) such lease contains no purchase options or right of first refusal to

purchase all or any portion of the Property; (viii) the lease is not for less rent per square foot of space than now being paid by existing tenants.

10.3. Subordination. Each of the Leases now or hereafter affecting the Property are hereby made subject, subordinate, junior and inferior in all respects to the lien of and provisions contained in this Deed of Trust. Upon request from Beneficiary made from time to time, Grantor shall execute and deliver, and shall cause any tenant, subtenant or other occupant under any Lease to execute and deliver all such instruments as requested by Beneficiary to effectuate the intent of this subsection 10.3. Any agreement to pay leasing commissions (a) shall provide that the obligation to pay such commissions will not be enforceable against any party other than the party who entered into such agreement, (b) shall be subordinate to the Deed of Trust, and (c) shall not be enforceable against Beneficiary. Beneficiary shall be furnished with evidence of the foregoing satisfactory to it in form, scope and substance.

Section 11. Condemnation.

11.1. Right to Contest. Beneficiary may, at its option, in its own name (a) appear or proceed in any Condemnation proceeding, and (b) make any compromise or settlement thereof. Grantor shall give Beneficiary immediate notice of the initiation of any Condemnation, and a copy of every paper served in any Condemnation. Upon request, Grantor shall make, execute and deliver to Beneficiary, free, clear and discharged of any encumbrance of any kind whatsoever, such further assignments and every other instrument deemed necessary, in Beneficiary's discretion, validly and sufficiently to assign each such Award to Beneficiary (including the assignment of any Award from the United States Government at any time after the allowance of any claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof) for any permanent or temporary Condemnation.

11.2. Application of Award. Grantor hereby agrees that all Awards paid by reason of a Condemnation, whether the rights to such Award or under such Condemnation accrued before or after the date of this Deed of Trust, are hereby assigned and shall be paid directly to Beneficiary, or if any such Award is received by Grantor, same shall be paid over to Beneficiary within five (5) days of Grantor's receipt thereof, and Beneficiary shall apply the Award as follows, in the order of priority indicated: (a) to reimburse Beneficiary for all costs and expenses, including attorneys' fees incurred in connection with the collection of the Award; (b) to the payment of accrued and unpaid interest on the Note; (c) to the prepayment of the last maturing installments of unpaid principal on the Note; (d) to the payment of the balance of the unpaid Indebtedness; and (e) the balance, if any, of the Award to Grantor. If the Property is sold at any foreclosure proceeding brought under this Deed of Trust before Beneficiary's receipt of any such Award, Beneficiary shall have the right to receive out of such Award the difference between the proceeds derived from such sale and the amount of the Indebtedness secured hereby and all interest and other amounts accruing hereunder, whether or not a deficiency judgment on this Deed of Trust has been sought, recovered or denied, plus any attorneys' fees, costs and disbursements incurred by Beneficiary in collecting such Award. Notwithstanding the foregoing provisions of this Section 11 to the contrary, if Grantor is not in default under the Security Documents and if no event has occurred which, with the serving of notice or the passage of time,

or both, would constitute a default hereunder, such proceeds shall be paid to Beneficiary and held in trust for the purposes of restoring the Property. Furthermore, as a condition for the release of any condemnation proceeds (t) the contractor restoring the Property shall be reasonably acceptable to Beneficiary and payment of all obligations arising from such restoration shall be in amounts reasonably acceptable to Beneficiary; (u) the final plans and specifications for such restoration shall have been reviewed and approved in writing by Beneficiary and all restoration shall be performed pursuant to such plans and specifications; (v) Beneficiary shall be entitled, at the expense of the Grantor, to consult with architects, engineers and such other professionals as the Beneficiary reasonably deems necessary to determine the total costs of restoring the Property; (w) Beneficiary shall have received evidence that the applicable tenants' leases for the damaged space, or any other space, have not and will not terminate; (x) Beneficiary shall be in receipt of a certificate from an engineer satisfactory to Beneficiary stating that the Property is capable of being repaired or restored within twelve (12) months after the casualty; and (y) projected net cash flow, as reasonably determined by Beneficiary after completion of the restoration, will be at a level equal to greater of (i) the level immediately preceding such casualty, or (2) a debt coverage ratio of at least 1.32 to 1 when annualized and calculated after debt service, as reasonably determined by Beneficiary. To the extent that the engineer's certificate indicates that the amount of the insurance proceeds will not be sufficient to repair or restore the Property, Grantor shall pay, prior to the disbursement of any insurance proceeds, the amount of such deficit to Beneficiary to be held in trust. If Grantor is unable to satisfy the foregoing conditions, or if the Property is not fully restored within one year, the Casualty Proceeds shall be applied towards the reduction of the principal balance of the Loan or towards repair and restoration, as Beneficiary shall elect in its sole and absolute discretion. If Grantor is in default under the Security Documents or, if any event has occurred which, with the giving of notice or the passage of time, or both, would constitute a default, Beneficiary shall have the option of applying all insurance proceeds to the curing of the default or to the reduction of the principal balance of the Loan or both.

Section 12. Payment of Beneficiary's Costs.

12.1. If Beneficiary incurs or expends any sums, including attorneys' fees, in any action at law or in equity or in any other proceeding, to sustain the lien of this Deed of Trust or its priority, to protect or enforce any of its rights hereunder, to perform any of Grantor's covenants hereunder, or to recover any of the Indebtedness, all such Sums so advanced or paid by Beneficiary, together with interest thereon at the Default Rate, shall be (a) paid to Beneficiary by Grantor immediately upon its receipt of notice and demand therefor, (b) a lien upon the Property before any right or title to, interest in, or claim upon the Property which is subordinate to the lien of this Deed of Trust, and (c) secured by this Deed of Trust and evidenced by the Note. In any action or proceeding to foreclose this Deed of Trust or to recover or collect the Indebtedness secured hereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

12.2. Grantor shall save Beneficiary harmless from all expenses (including, by way of example rather than of limitation, those of attorneys' fees and disbursements and of any title

search, continuation or abstract, or preparation of survey), incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in and to which Beneficiary may be or become a party by reason hereof (including, by way of example rather than of limitation, any bankruptcy, administration or other proceeding in which proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of and the lien created by this Deed of Trust), and all money expended by Beneficiary in that regard, together with interest thereon from date of such payment at the Default Rate, shall constitute additional Indebtedness secured hereby and shall be immediately and without notice due and payable by Grantor to Beneficiary.

Section 13. Events of Default. The occurrence of any one or more of the following events shall be deemed an "Event of Default" for purposes of the provisions of this Deed of Trust and the other Security Documents:

13.1. If Grantor fails to pay any installment of the principal of (prepayment premium, if any) or interest on the Note, or fails to pay any other sum evidenced by the Note (including, without limitation, real estate taxes) or secured hereby on or before the fifth (5th) day after which the same becomes due and payable; or

13.2. If Grantor fails to observe or perform any of the terms, covenants or conditions on Grantor's part contained in this Deed of Trust (except a term, covenant or condition in whose observation or whose performance is otherwise specifically dealt with in this Section); and such failure continues for a period of thirty (30) days from the date of such failure, provided however, if Grantor has commenced in good faith to cure such default during the aforesaid thirty (30) day period and proceeds with due diligence and continuity to completion of such cure, Grantor shall have a maximum of ninety (90) days to cure such default; or

13.3. If (a) Grantor fails to observe or perform any other term, covenant or condition contained in any other Security Document and such failure continues beyond the permissible grace period, if any, specified in any such Security Document or (b) an Event of Default occurs under any of the other Security Documents; or

13.4. If Grantor fails to pay or perform any obligation contained in any other mortgage, deed of trust, security agreement or other instrument that creates a lien or encumbrance upon the title to the Property, whether superior to or inferior to the lien of this Deed of Trust, and such failure continues beyond the permissible grace period, if any, specified in any such instrument; or

13.5. If any representation or warranty made by Grantor in any of the Security Documents or any statement or representation made by or on behalf of Grantor in any certificate, report or opinion (including legal opinions), financial statement or other instrument proves to be false or misleading in any material respect as of the effective date of such representation or warranty; or

13.6. If an Act of Bankruptcy occurs with respect to Grantor and any petition or proceeding in connection therewith is not dismissed, vacated, discharged, stayed or denied within sixty (60) days; or

13.7. If Grantor shall (a) become generally unable to pay their debts as they become due, or (b) be dissolved as a result of any adversary suit or proceeding; or

13.8. If (a) any execution or attachment is levied against any or all of the Property and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after it is levied or filed, or (b) an order, judgment or decree is entered by any Court of competent jurisdiction on the application of a creditor adjudicating Grantor bankrupt, appointing a receiver, trustee or liquidator of Grantor of any or all of the Property, or of all or substantially all of the other assets of Grantor and such order, judgment or decree continues in effect for a period of sixty (60) days or is not discharged within ten (10) days after the expiration of any stay thereof; or

13.9. If any mechanics' liens are established against the Property and are not caused to be discharged or fully bonded against by Grantor within thirty (30) days after it receives notice of the establishment thereof; or

13.10. If Grantor fails to comply with any Legal Requirement or "Grantor within thirty (30) days after notice in writing of such requirement shall have been given to Grantor by that Governmental Authority; or if any proceeding is commenced or action taken by that Governmental Authority or a private party to enforce any remedy for a violation of any Legal Requirement or any restrictive covenant affecting the Property or any part thereof, and such violation is not corrected within thirty (30) days after such commencement or the taking of such actions; or if Grantor fails to obtain and at all time keep in full force and effect, such governmental approvals, licenses or permits as may be necessary to comply with any Legal Requirements, including those relating to environmental and land use matters and the occupancy of the Property for its intended uses, as same may exist from time to time; or

13.11. If Grantor sells, transfers, encumbers, leases or otherwise disposes of, or permits the sale, transfer, encumbrance, lease or other disposal of, in any transaction or series of transactions, all or any portion of the Property (whether, in the case of any encumbrance, such encumbrance or lien shall purport to be superior or inferior to the lien of this Deed of Trust) without the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole and absolute discretion; or

13.12. If Grantor, without obtaining Beneficiary's prior written consent thereto, which consent may be withheld in Beneficiary's sole and absolute discretion, except as permitted in Section 9 hereof, transfers by merger, sale, consolidation, assignment, operation of law or otherwise any or all of the Property or an interest therein, or the persons who are Grantor's shareholders as of the date hereof transfer, assign or hypothecate any stock, partnership or interest in Grantor; or

13.13. Any change in any zoning ordinance or any other public restriction is enacted, limiting or defining the uses which may be made of the Property or any part thereof, such that Grantor's use of the Property as contemplated on the date hereof would be in violation of such restriction or zoning change, unless a variance or other zoning ordinance or restriction permitting the continued use of the Property for such use by Grantor and any subsequent purchasers of the Property is obtained prior to the effective date of such change; or

13.14. The occurrence of any material and adverse change in the financial condition or business affairs of Grantor, as determined in the reasonable discretion of Beneficiary, or Beneficiary shall reasonably otherwise deem itself to be insecure; or

13.15. The death of Grantor or either of them.

Section 14. Beneficiary's Rights and Remedies Upon Event of Default. If an Event of Default occurs, then Beneficiary may, without further notice to or demand upon Grantor, Grantor or any other party having an interest in the Property or Grantor, and without regard to the value of the Property held as security for the Indebtedness or the solvency of any person liable for the payment of such Indebtedness, at Beneficiary's option and whether or not electing to declare the whole Indebtedness due and payable, do any or all of the following:

14.1. Declare the entire Indebtedness which is then unpaid, including any other unpaid sums accruing under the Note, and any other amounts payable under the provisions of this Deed of Trust or of any other Security Document, to be, and the Indebtedness, and the Note evidencing the Indebtedness, and all other sums payable hereunder, under the Note or under any Security Document shall thereupon become, immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Grantor, and Grantor shall forthwith pay to Beneficiary the entire outstanding Indebtedness and all such other amounts.

14.2. Terminate the license granted to Grantor under the provisions of Section 10 of this Deed of Trust and, either personally or by any attorney or agent without bringing any action or proceeding, or by a receiver (who may be an officer, employee or agent of, or attorney for Beneficiary) appointed as permitted in subsection 14.3 hereof, enter upon and take possession of any or all of the Property. Upon such entry, Beneficiary shall have the right (a) to exclude Grantor, and its agents, officers and employees, wholly from the Property, and to have, hold, manage, lease, use, operate and control the Property on such terms and for such periods of time as Beneficiary may deem proper in its sole and absolute discretion, and (b) to collect and receive all Rents, for which this Deed of Trust shall be sufficient authority whether or not any such Lease or sublease has been assigned to Beneficiary. Upon every such entry, Beneficiary, at the expense of Grantor, may from time to time, without resort to judicial process, (i) take such steps and expend such sums as Beneficiary deems necessary to preserve and protect the Property, including without limitation, employment of watchmen or other protective services, (ii) make all necessary and proper repairs, renewals, replacements and useful or required alterations and improvements to the Property as, in Beneficiary's sole and absolute judgment, may be necessary or desirable. Any disbursement of funds for these purposes shall be deemed a disbursement

pursuant to this Deed of Trust and secured hereby. In addition, if Beneficiary disburses any amounts in order to accomplish such purposes, Grantor agrees to reimburse Beneficiary for such amount, together with interest thereon at the Default Rate. Beneficiary may, in its sole discretion, terminate or change any action initiated by Beneficiary under this Deed of Trust, and neither this Deed of Trust nor any action taken hereunder shall impose any obligation upon Beneficiary to act or continue to act on Grantor's or Grantor's behalf or otherwise to fulfill any obligation of Grantor or Grantor.

After deducting the expenses of or incident to managing and operating the Property, conducting the business thereof, making any repairs, maintenance, renewals, replacements, alterations and improvements thereto, taking and retaining possession of the Property, and keeping it properly insured, Beneficiary may apply the residue of the Rents, if any, to the payment of the following items, in such order or priority as Beneficiary may determine, any statute, law, custom, or use to the contrary notwithstanding (a) any Assessment which may have priority in lien over the lien of this Deed of Trust, (b) premiums for insurance which Beneficiary deems necessary or desirable, with interest thereon, (c) the interest, prepayment premium, if any, and principal due and secured by this Deed of Trust, and (d) all costs and attorneys' fees and disbursements incurred in connection therewith.

14.3. Beneficiary may apply for the appointment of a receiver of the Property or the Rents of the Property, without notice except as explicitly required by law, and shall be entitled to the appointment of the receiver as a matter of right, without consideration of the value of the Property, the solvency of any person liable for the payment of the Note, the ability of Grantor to manage the Property or the Rents, or the effect of the receivership on the operation of the Property or Grantor's business thereon.

14.4. Cure any Event of Default without releasing Grantor from any obligations therefore under the Note or Grantor from any obligations therefore under this Deed of Trust or any other of the Security Documents.

14.5. Commence and maintain one or more actions at law or in equity or by any other appropriate proceedings (a) to protect and enforce Beneficiary's legal or equitable rights, whether for the specific performance of any covenant or agreement contained in this Deed of Trust or the other Security Documents (which covenants and agreements, Grantor agrees shall be specifically enforceable by injunctive or other appropriate equitable remedy), or (b) to collect any sum then due hereunder, or (c) to aid the exercise of any power herein granted, or (d) to institute proceedings for the complete or partial foreclosure of this Deed of Trust, or (e) to sell, by power of sale or otherwise, upon default hereunder, any or all of the Property, without regard to whether or not any sum secured by this Deed of Trust is then due and payable, or (f) to enjoin any acts or things which may be unlawful or in violation of the rights of Beneficiary.

14.6. Have access to and inspect, examine and make copies of the Fiscal Records and any and all accounts and similar data of Grantor with respect to the Property.

Section 15. Foreclosure/Sale.

15.1. If any or all of the Property or any estate or interest therein is to be sold under the provisions of this Deed of Trust, by virtue of a judicial sale or otherwise, such Property or estate or interest therein may at the sole and absolute discretion of Beneficiary be sold at public auction, as an entirety or in one or more parcels or in several interests or portions by one sale or by several sales held at one time or at different times and in any order or manner with such postponement of any such sale as Beneficiary may deem appropriate and without regard to any right of Grantor or any other person to the marshaling of assets. Beneficiary shall hold such sale or sales at such time or times and at such place or places, and shall make sales upon such terms and conditions and after such previous public notice as required by law and as Beneficiary may deem appropriate. Beneficiary may bid and become the purchaser at any such sale, and shall, upon presentation of the Note or a true copy thereof at such sale, be credited for the unpaid balance due under the Note and any interest accrued and unpaid thereon, or such portion of such unpaid balance or interest as Beneficiary may specify, against any price bid by Beneficiary thereat. The terms of sale being complied with, Beneficiary shall convey to and at the cost of the purchaser at such sale Grantor's interest in so much of the Property as is so sold, free of and discharged from all estate, right, title or interest of Grantor at law or in equity, such purchaser being hereby discharged from all liability to see to the application of the purchase money.

15.1.1. Upon any sale of Grantor's interest in any or all of the Property, whether under the assent to a decree or power of sale herein granted, or by other foreclosure or judicial proceedings, Beneficiary shall apply the proceeds of such sale, together with any other sum then held as security hereunder or due under any of the provisions hereof as part of the Property (after paying all expenses of sale, including reasonable attorneys' fees and disbursements and a commission to the party making the sale equal to the commission allowed to trustees for making sales of property under orders or decrees of a court having competent jurisdiction, and all Assessments which Beneficiary or Beneficiary deem it advisable or expedient to pay and all sums advanced, with interest thereon, as herein provided) to the payment of the aggregate Indebtedness then secured hereby and interest thereon to the date of payment, paying over the surplus, if any, less the expense, if any, of obtaining possession, to Grantor or any person entitled thereto upon the surrender and delivery to the purchaser of possession of the Property.

Section 16. Surrender of Possession. During the continuance of any Event of Default and pending the exercise by Beneficiary of its right to exclude Grantor from all or any part of the Property, Grantor agrees to pay the fair and reasonable rental value for the use and occupancy of the Property or any portion thereof which are in its possession for such period and, upon default of any such payment, will vacate and surrender possession of the Property to Beneficiary or to a receiver, if any, and in default thereof may be evicted by any summary action or proceeding for the recovery or possession of property for non payment of rent, however designated.

Section 17. Coordinate Liens. Grantor and Beneficiary shall, upon their mutual agreement to do so, execute such documents as may be necessary in order to effectuate the modification of this Deed of Trust, including the execution of substitute mortgages, so as to create two or more liens on the Property in such amounts as may be mutually agree upon but in no event to exceed, in the aggregate, the sum of Deed of Trust Amount. In such event, Grantor covenants and agrees to pay the reasonable fees and expenses of Beneficiary and its counsel in connection with any such modification.

Section 18. Security Agreement. Notwithstanding the agreement and declaration hereinabove expressed that certain articles of personal property form a part of the realty covered by this Deed of Trust and are appropriated to its use, to the extent that such agreement and declaration may be ineffective and that any of such articles of personal property may constitute goods, this Deed of Trust shall also constitute a "Security Agreement" within the meaning of the Uniform Commercial Code for the State of Oregon where the Property is located and pursuant thereto, and in order better to secure the repayment of the Indebtedness and the performance and observation of the obligations intended to be secured by this Deed of Trust, Grantor does hereby create and grant to Beneficiary, a security interest in and to such part of the personal property not deemed or permitted by law to be fixtures, and the proceeds (cash and non-cash) thereof, including the proceeds of any and all insurance policies in connection therewith. Beneficiary shall have all of the rights with respect to such personal property afforded to it as a secured party by the provisions of the Oregon Uniform Commercial Code, in addition to, but not in limitation of, the other rights afforded Beneficiary by the provisions of this Deed of Trust. Grantor agrees to be bound by the provisions of the Oregon Uniform Commercial Code and to furnish statements continuing Beneficiary's Security interest in such personal property at required intervals.

Section 19. Estoppel Certificates. Grantor shall, within fifteen (15) days after Grantor's receipt of written request to such effect from Beneficiary, certify to Beneficiary or to any party designated by Beneficiary, by a writing duly acknowledged, the amount of principal and interest then owing under the Note and such other matters as may be reasonably requested by Beneficiary.

Section 20. Notices. Any notice, demand, approval, authorization, consent or request required or permitted by this Deed of Trust to be given by or to Grantor, Trustee, or Beneficiary (a) shall be in writing, and (b) until otherwise specified in a written notice by the respective parties or any of them, shall be sent to the parties at their following respective addresses:

20.1. If to Grantor:

Douglas and Hae-Kyung "Helen" Kim
55823 Oak Hill Drive
La Quinta CA 92253

with a copy to:

20.2. If to Trustee:

First American Title Insurance
 422 Main St., PO Box 151
 Klamath Falls OR 97601

20.3. If to Beneficiary:

A2C3 Partners
 c/o Brad Aspell
 122 S. 5th
 Klamath Falls OR 97601

with a copy to:

George B. Heilig
 PO Box 546
 Corvallis OR 97339

Each such notice, demand, approval, authorization, consent or request shall be hand delivered or sent by Federal Express or other reputable overnight courier service or by postage prepaid registered or certified mail, return receipt requested, and shall be deemed given (i) when received at the above stated address or when delivery is refused, if hand delivered or sent by Federal Express or other reputable courier service and (ii) three (3) business days after being postmarked if sent by registered or certified mail, return receipt requested.

Section 21. General.

21.1. Amendment. This Deed of Trust may be amended or supplemented only by a written agreement executed and, if necessary, acknowledged by the party against whom enforcement of such amendment or supplement is sought.

21.2. Applicable Law. This Deed of Trust and the rights and Indebtedness secured hereby shall, without regard to the place of contract or the place of payment of any sum paid hereunder, be governed by and construed by application of the laws of the State of Oregon where the Property is situated.

21.3. Covenants to Run With Land. The grants, terms, covenants, provisions and conditions hereof shall run with the land and shall be binding upon Grantor, its permitted successors and assigns, and any subsequent owner of the Property, and shall inure to the benefit of Beneficiary and its successors or assigns.

21.4. Time of Essence. Time shall be of the essence of this Deed of Trust.

21.5. Headings. The Section and subsection headings herein are for convenience only and shall not affect the construction hereof.

21.6. Exhibits and Schedules. Each writing or plat referred to in this Deed of Trust as being attached hereto as an exhibit or schedule or otherwise designated in this Deed of Trust as an exhibit hereto is hereby made a part of this Deed of Trust.

21.7. Severability. Nothing in the provisions of this Deed of Trust and no transaction related hereto shall operate or be construed to require Grantor to make any payment or do any thing contrary to any applicable Legal Requirement. No determination by any court or Governmental Authority that any provision in this Deed of Trust is invalid, illegal or unenforceable in any instance shall affect the validity, legality or enforceability of (a) any other provision thereof, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable Legal Requirements.

21.8. No Limitation of Rights. No right or remedy conferred in this Deed of Trust upon or reserved to Beneficiary is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under this Deed of Trust or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. Should any right or remedy granted herein be held to be unlawful, Beneficiary shall be entitled to every other right and remedy provided in this Deed of Trust or by law or in equity.

21.9. Waiver. Any failure by Beneficiary to insist upon Grantor's strict performance of any of its obligations hereunder shall not be deemed to be a waiver of Beneficiary's right to such performance and no waiver, amendment, release or modification of this Deed of Trust shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by Beneficiary. Notwithstanding any such failure, Beneficiary shall have the right thereafter to insist upon Grantor's strict performance of any and all of its obligations hereunder. Neither Grantor nor any other person now or hereafter obligated for the payment of any or all of the Indebtedness secured by this Deed of Trust shall be relieved of such obligation by reason of (a) Beneficiary's, or any other person's failure to comply with any request of Grantor or to take any action to foreclose this Deed of Trust or otherwise enforce any of the provisions of the Security Documents, (b) the release, regardless of consideration, of any or all of the Property, or

(c) the agreement or stipulation, by any subsequent owner of any or all of the Property and Beneficiary, extending the time of payment or modifying the terms of the Security Documents without the prior written consent of Grantor or such other person, and in the event of any such agreement or stipulation, Grantor and each such other person shall continue to be liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Beneficiary. In case any proceedings taken by Beneficiary on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Beneficiary then and in every such case, Beneficiary and Grantor shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of Beneficiary shall continue as though no such proceeding has been taken.

21.10. Warranties of Title. Grantor hereby warrants generally that it (a) lawfully holds the title to, and possesses, the Property in fee simple, subject only to the operation and effect of the Permitted Encumbrances; (b) holds the right to encumber such title; and (c) will protect, preserve, and defend the Property and the title to the Property against any person whomsoever.

21.11. Joint and Several Liability. If there exists more than one Grantor, all liabilities under this Deed of Trust shall be joint and several with respect to the mortgagors.

21.12. Intentionally Omitted.

21.13. Intentionally Omitted.

21.14. WAIVER OF TRIAL BY JURY. GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, AND BENEFICIARY BY ITS ACCEPTANCE THIS DEED OF TRUST IRREVOCABLY AND UNCONDITIONALLY WAIVES, ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THE NOTE, THIS DEED OF TRUST OR OTHER SECURITY DOCUMENTS.

21.15. Intentionally Omitted.

21.16. Usury Laws. This Deed of Trust and the Note are subject to the express condition that at no time shall Grantor be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Grantor is permitted by law to contract or agree to pay. If by the terms of this Deed of Trust or the Note, Grantor is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, the rate of interest under the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

21.17. Sole Discretion of Beneficiary. Except as may otherwise be expressly provided to the contrary, wherever pursuant to the Note, this Deed of Trust, or the other Security Documents Beneficiary exercises any right given to it to consent or not consent, or to approve or disapprove, or any arrangement or term is to be satisfactory to Beneficiary, the decision of Beneficiary to consent or not consent, or to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory, shall be in the sole and absolute discretion of Beneficiary and shall be final and conclusive.

21.18. Reasonableness. If at any time Grantor believes that Beneficiary has not acted reasonably in granting or withholding any approval or consent under the Note, this Deed of Trust or the other Security Documents, as to which approval or consent either Beneficiary has expressly agreed to act reasonably, or absent such agreement, a court of law having jurisdiction over the subject matter would require Beneficiary to act reasonably, then Grantor's sole remedy shall be to seek injunctive relief or specific performance and no action for monetary damages or punitive damages shall in any event or under any circumstance be maintained by Grantor against Beneficiary.

21.19. Authority. Grantor (and the undersigned representative of Grantor, if any) has full power, authority and legal right to execute this Deed of Trust, and to mortgage, give, grant, bargain, sell, alien, enfeoff, warrant, assign, confirm and convey the Property pursuant to the terms hereof and to keep and observe all of the terms of this Deed of Trust on Grantor's part to be performed.

21.20. Assignability. This Deed of Trust and the other Security Documents may be assigned by Beneficiary at any time and from time to time, and shall inure to the benefit of and be enforceable by Beneficiary and its successors and assigns and any other person or entity to whom Beneficiary may grant an interest in Grantor's obligations to Beneficiary, and shall be binding and enforceable against Grantor and Grantor's successors and assigns. Grantor agrees that all documentation, financial statements, appraisals and other data, or copies thereof, relevant to Grantor or the Property may be exhibited to and retained by any assignee or prospective assignee of Beneficiary or participant or prospective participant of Beneficiary. Grantor shall cooperate with Beneficiary to effect any assignment of or participation in the sale, which cooperation shall include Grantor's agreement, at its own cost and expense, to split the Note, this Deed of Trust or the other Security Documents into one or more separate portions evidenced by one or more notes and secured by one or more mortgages.

21.21. Offsets, Counterclaims and Defenses. Any assignee of this Deed of Trust and the Note shall take the same free and clear of all offsets, counterclaims or defenses of any nature whatsoever which Grantor may have against any assignee of this Deed of Trust and the Note, and no such offset, counterclaim or defense shall be interposed or asserted by Grantor in any action or proceeding brought by any such assignee upon this Deed of Trust or the Note and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Grantor.

21.22. Documentary Stamps. If at any time the United States of America, any state thereof, or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Deed of Trust, Grantor will pay for the same, with interest and penalties thereon, if any.

21.23. STATUTE OF FRAUDS. 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.

21.24. WARNING TO GRANTOR. UNLESS GRANTOR PROVIDES BENEFICIARY WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY THIS DEED OF TRUST, BENEFICIARY MAY PURCHASE INSURANCE AT GRANTOR'S EXPENSE TO PROTECT ITS INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT GRANTOR'S INTEREST. IF THE PROPERTY BECOMES DAMAGED, THE COVERAGE BENEFICIARY PURCHASES MAY NOT PAY ANY CLAIM GRANTOR MAKES OR ANY CLAIM MADE AGAINST GRANTOR .

GRANTOR MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT GRANTOR HAS OBTAINED PROPERTY COVERAGE ELSEWHERE. GRANTOR IS RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY BENEFICIARY. THE COST OF THIS INSURANCE MAY BE ADDED TO THE INDEBTEDNESS. IF THE COST IS ADDED TO THE INDEBTEDNESS, THE INTEREST RATE ON THE INDEBTEDNESS WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE GRANTOR'S PRIOR COVERAGE LAPSED OR THE DATE GRANTOR FAILED TO PROVIDE PROOF OF COVERAGE.

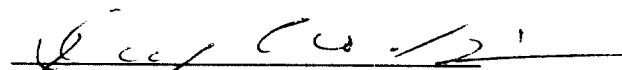
THE COVERAGE BENEFICIARY PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE GRANTOR CAN OBTAIN ON ITS OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

21.25. Reconveyance by Trustee. At any time upon the request of Beneficiary, payment of Trustee's fees, if any, and presentation of this Deed of Trust, without affecting liability of any persons for the payment of the Indebtedness, Trustee may reconvey, without warranty, all or any part of the Property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any facts shall be conclusive proof of the truthfulness thereof.

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

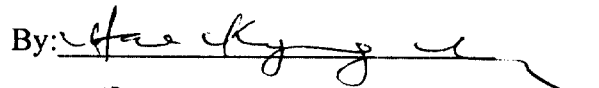
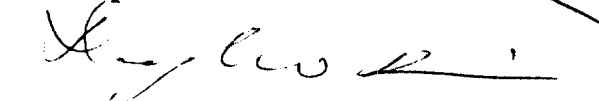
IN WITNESS WHEREOF, Grantor has executed this Deed of Trust, the day and year first above written.

GRANTOR:


Douglas Kim


Hae-Kyung "Helen" Kim

IN (Palm Springs) LLC

By: 


27794

STATE OF

County of

Multnomah

} ss.

FORM No. 23—ACKNOWLEDGMENT.
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BE IT REMEMBERED, That on this 29 day of April 2002,
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named Douglas Kim and Hae-Kyung "Helen" Kim

known to me to be the identical individual^s described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Stephanie A. Bates

Notary Public for Oregon

My commission expires 11-1-03

STATE OF

County of

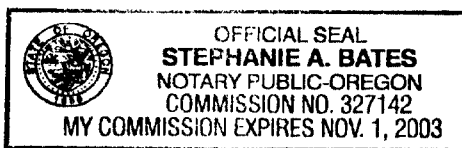
Multnomah

} ss.

FORM No. 23—ACKNOWLEDGMENT.
Stevens-Ness Law Publishing Co. N.
Portland, OR 97204 © 1992

BE IT REMEMBERED, That on this 29 day of April 2002,
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named Douglas Kim, Managing Member & Hae-Kyung "Helen" Kim,
Managing Member for In (Palm Springs), LLC

known to me to be the identical individual^s described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Stephanie A. Bates

Notary Public for Oregon

My commission expires 11-1-03

Exhibit A

Lots 3, 4, 5, 6 and a portion of Lot 2, Block 2, Tract 1183, CAMPUS VIEW, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

Beginning at the intersection of the centerlines of Dahlia Street and Clover Street in the City of Klamath Falls in the State of Oregon; thence along the centerline of Clover Street North $54^{\circ} 54' 38''$ East 30.00 feet to the Northerly right of way line of Dahlia Street; thence continuing along the Northerly right of way line of Dahlia Street North $37^{\circ} 10' 59''$ West 50.49 feet to the true point of beginning; thence continuing along the Northerly right of way line of Dahlia Street along a curve to the left having a radius of 427.57 feet, a central angle of $52^{\circ} 02' 34''$, an arc length of 388.37 feet, a long chord of 375.16 feet and a long chord bearing of North $63^{\circ} 12' 16''$ West; thence North $00^{\circ} 46' 26''$ East 359.39 feet; thence South $89^{\circ} 13' 34''$ East 272.76 feet; thence South $00^{\circ} 46' 26''$ West 54.00 feet; thence South $87^{\circ} 22' 21''$ East 198.26 feet to the Westerly right of way line of Clover Street; thence along the Westerly right of way line of Clover Street South $02^{\circ} 37' 39''$ West 266.86 feet; thence continuing along the Westerly right of way line of Clover Street along a curve to the right having a radius of 273.64 feet, a central angle of $47^{\circ} 49' 42''$, an arc length of 228.42 feet, a long chord of 221.85 feet and a long chord bearing of South $26^{\circ} 32' 30''$ West; thence along a curve to the right having a radius of 20.00 feet, a central angle of $92^{\circ} 21' 39''$, an arc length of 32.28 feet, a long chord of 28.86 feet and a long chord bearing of North $83^{\circ} 21' 49''$ West to the Northerly right of way line of Dahlia Street and the point of beginning.