



2013-012194

Klamath County, Oregon

10/30/2013 10:53:03 AM

Fee: \$127.00

RECORDED AT REQUEST OF:

RETURN RECORDED DOCUMENT TO:
RABO AGRIFINANCE, INC.
P.O. BOX 411995
ST. LOUIS, MISSOURI 63141

Loan 10456600/djp

**LINE OF CREDIT OREGON TRUST DEED, SECURITY AGREEMENT, FIXTURE FILING
AND FINANCING STATEMENT**

NOTICE TO RECORDER

THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE LOAN AGREEMENT/NOTE IS \$11,000,000.00; HOWEVER, SUCH MAXIMUM AMOUNT MAY BE EXCEEDED BY PRINCIPAL ADVANCES MADE TO COMPLETE THE CONSTRUCTION OF IMPROVEMENTS UPON THE SUBJECT PROPERTY AND/OR TO PROTECT THE SECURITY OF THIS TRUST DEED.

O.R.S. 86.155 STATEMENTS:

PRINCIPAL AMOUNT: \$11,000,000.00

MATURITY DATE: December 20, 2013, EXCLUSIVE OF OPTIONS TO EXTEND, IF ANY

THIS DOCUMENT CONSTITUTES A FIXTURE FILING THAT SHALL HAVE AN EFFECTIVE PERIOD UNTIL THIS TRUST DEED IS RECONVEYED OR SATISFIED OF RECORD OR ITS EFFECTIVENESS OTHERWISE TERMINATES AS TO THE REAL PROPERTY.

THE NOTE AND THE OTHER LOAN DOCUMENTS SECURED BY THIS TRUST DEED CONTAIN PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE FROM TIME TO TIME DURING THE TERM OF THE INDEBTEDNESS.

THE TAX ACCOUNT NUMBERS FOR THE PROPERTY SUBJECT TO THE LIEN OF THIS INSTRUMENT ARE: R-4009-00100-01400-000.

THIS TRUST DEED, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT ("Trust Deed"), dated as of the 26th day of September 2013, between MICHAEL E. NOONAN AKA MICHAEL EDWARD NOONAN AND KARIN M. NOONAN AKA KARIN MARGARET NOONAN, husband and wife and principal residence is 12080 Homedale Road, Klamath, OR 97603, and all other persons executing this Trust Deed ("Grantor"),

117.00 amt.

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AmeriTitle, Inc., a title and escrow company whose address is 300 Klamath Avenue, Klamath Falls, OR 97601 and RABO AGRIFINANCE, INC., a corporation organized and existing under the laws of Delaware ("RAF"), whose address is P.O. Box 411995, St. Louis, Missouri 63141; RABOBANK, N.A. ("RNA"), whose address is 245 Park Avenue, New York, New York 10167; and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "Rabobank Nederland" ("RN"), whose address is 245 Park Avenue, New York, New York 10167 (RAF, RNA, and RN, unless otherwise indicated, together with their successors and assigns, are hereinafter, individually or collectively, referred to as "Beneficiary") and RAF as collateral agent (the "Collateral Agent") for the Beneficiary.

WHEREAS, the Grantor is justly indebted to the Beneficiary in the sum of ELEVEN MILLION AND NO/100 Dollars (\$11,000,000.00) with interest, all as set forth in that certain promissory note of even date herewith maturing December 20, 2013 (which, together with any notes and/or guaranties described below, are collectively referred to as the "Note").

NOW, THEREFORE, THIS TRUST DEED WITNESSETH, for good and valuable consideration, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, along with (1) payment of the entire indebtedness and other obligations evidenced by the following promissory note(s), and/or guaranty(s) executed by Grantor to the applicable Beneficiary or order and all modifications, amendments, replacements, substitutions, extensions and renewals thereof along with any and all agreements with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions:

[X] The following additional new or existing Promissory Notes:

- Note dated May 16, 2012 in the stated principal amount of \$11,000,000.00 Dollars

(2) the payment of such additional loans or advances and such other debts, obligations and liabilities of every kind and character, of Grantor or the maker of the Note, evidenced by a promissory note, guaranty or otherwise, whether one or more, now existing or arising in the future, in favor of the applicable Beneficiary, whether direct or indirect, absolute or contingent, or originally payable to the applicable Beneficiary or any other person; PROVIDED HOWEVER, THAT, such other additional loans, advances, debts, obligations and liabilities shall be secured by this Trust Deed only if the promissory note, guaranty, or other document evidencing such shall recite that it is to be secured by this Trust Deed; and provided, however, if the Property includes Grantor's principal dwelling or is otherwise a one to four family dwelling, the Property will not secure any future loan, advance, debt, obligation or liability taken or incurred principally for personal, family or household purposes; (3) the payment of any substitute notes, renewals, reamortizations, conversion agreements and extensions of all indebtedness secured by this Trust Deed; (4) payment and performance of each agreement of Grantor in this Trust Deed; (5) payment of all sums expended or advanced by Collateral Agent or Beneficiary to protect the security of this Trust Deed, said real property or said collateral, with interest thereon at the rate per annum after default or maturity set forth in said Note or any Credit Agreement (as

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hereinafter defined); and (6) all obligations as defined in or provided for in any Credit Agreement, Grantor hereby irrevocably grants, bargains, sells, transfers, and conveys to Trustee in trust, with power of sale, for the benefit and security of Collateral Agent and Beneficiary, under and subject to the conditions hereinafter set forth, all of Grantor's right, title, and interest now owned or hereafter acquired in and to the following described property (the "Property"), to wit:

The real property located in KLAMATH COUNTY, OREGON, briefly described as follows (the "Real Estate"):

See attached Exhibit "A", which is incorporated herein by reference.

TOGETHER WITH (1) all easements, rights-of-way and rights appurtenant to said Real Estate or used in connection therewith or as a means of access thereto; (2) all tenements, hereditaments and appurtenances thereto, including all water, water rights and drainage rights appertaining thereto; (3) Grantor's interest as lessor in all leases affecting said Real Estate; (4) all buildings, structures, improvements, fixtures, attachments, appliances, equipment machinery and other articles now or hereafter erected on, affixed or attached to, or located in or on said Real Estate which are real property, and all substitutions, replacements, additions and accessions thereof or thereto; (5) all rents, issues, profits, royalties, bonuses, income and other benefits derived from or produced by said Real Estate (subject, however, to the assignment of rents and profits to Collateral Agent or Beneficiary herein); and (6) all right, title, estate, interest, and other claim or demand, including, without limitation, all claims or demands to the proceeds of all insurance now or hereafter in effect with respect to said Real Estate, which Grantor now has or may hereafter acquire in said Real Estate, and all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of said Real Estate.

AND ALSO, Grantor, as debtor, irrevocably grants and assigns to the Collateral Agent for the benefit of the Beneficiary, as secured party, a security interest in all of the following collateral which is personal property now or hereafter owned by Grantor or in which Grantor now or hereafter has any rights and which is now or hereafter located on or at, or affixed or attached to, or produced from, or used in connection with said Real Estate, including but not limited to: All personal property described in Exhibit "B" attached hereto and made a part hereof and articles of personal or mixed property of every kind and nature whatsoever, including, without limitation, all (a) goods, including without limitation, equipment and machinery (excluding, however, automobiles, trucks, tractors, trailers, wheeled vehicles, planting and tillage equipment), watering and irrigation apparatus, pumps, motors, generators, pipes, center pivot irrigators and sprinklers, windmills, fences, fixtures, fittings, appliances, farm products, crops growing or to be grown, timber standing or to be cut, minerals or the like (including oil and gas), raw materials, inventory and work in process; (b) all water stock and water rights and, to the extent listed on the attached Exhibit "B", all investment property, including without limitation, certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts, including all stock, bonds and commodities contracts; (c) all permits and licenses used in the operation of the Real Estate and, to the extent listed on the attached Exhibit "B", general intangibles, including without limitation payment intangibles and software; (d)

accounts, including without limitation all of Grantor's right to any payment arising out of the sale, lease or license of all kinds of tangible and intangible personal property, contract rights, general intangibles, instruments, documents, chattel paper, accounts receivable, deposits, fees, charges and other payments, income and cash receipts that are otherwise described in this paragraph; (e) personal property of the same general kind or class as otherwise described in this paragraph which Grantor may now own or hereafter acquire, wherever located, used or usable in the operation of or relating to the Real Estate; and all products and proceeds from the sale or other disposal thereof, including, without limitation, all payments under any insurance policies, substitutions and replacements, additions, accessions of or to said collateral and any indemnity, warranty or guaranty relating to any of the foregoing (all of the foregoing property shall be hereinafter collectively referred to as the "Collateral"; the Real Estate and the Collateral shall hereinafter be collectively referred to as the "Property"). PROVIDED HOWEVER, that nothing in this Trust Deed shall prevent Grantor from obtaining secured crop financing which may include the perfection of a lien by the crop lender on the crops growing or to be grown for a period not to exceed the beginning of the next crop year. If Grantor exercises its right to place a single crop lien on the crops grown or to be grown on the Real Estate, such crop lien shall automatically be a first superior lien to the lien on such crop created hereby without the need for any consent or subordination from Collateral Agent or Beneficiary.

TO HAVE AND TO HOLD the same unto the Collateral Agent for the benefit of Beneficiary, their successors or assigns, forever.

PROVIDED, ALWAYS, that if the Grantor, his heirs, representatives, successors or assigns, shall pay unto the Beneficiary, its successors or assigns, the said sum of money mentioned in the Note and the interest thereon at the times and place and in the manner specified in the Note or any obligation as defined in or provided for in any credit agreement or similar document between the Grantor and any Beneficiary (the "Credit Agreement"), and all other sums that may become due and owing to the Collateral Agent or Beneficiary pursuant to any of the terms, covenants and conditions hereof, and perform all the conditions and covenants contained in this Trust Deed, then these presents and the estate hereby granted shall cease, determine and be void and shall be released by the Trustee, Collateral Agent or Beneficiary at the expense of the Grantor, otherwise to remain in full force and effect.

AND SUBJECT to the covenants and conditions hereinafter set forth.

FIRST. The Grantor hereby covenants and agrees, to the extent permitted by law, as follows: (a) to pay promptly when due the principal and interest and other sums of money provided for in the Note, Credit Agreement, in this Trust Deed, or (b) to pay all taxes, assessments and other charges (including ditch, canal, reservoir, or other water charges, taxes or assessments) imposed by law upon the Property, the Collateral Agent's or Beneficiary's interest therein, or upon the Trust Deed or the Note; provided however, in the event of the passage of any law changing the laws for the taxation of trust deeds or debts secured by trust deeds so as to affect this Trust Deed, the entire indebtedness secured hereby shall, at the option of the Collateral Agent or Beneficiary, become due and payable; (c) to keep the Property and improvements on the Real Estate in good condition and repair and not to commit or suffer

waste thereof, and except as authorized in any schedule annexed hereto and forming a part hereof, neither to remove nor permit the removal of any timber, buildings, oil, gas, minerals, stone, rock, clay, fertilizer, gravel or top soil without the prior written consent of Collateral Agent or Beneficiary; **(d)** to maintain and deliver to Collateral Agent or Beneficiary policies of insurance against such hazards on the buildings now or hereafter located on the Property as Collateral Agent or Beneficiary may require from time to time, in such companies and amounts and with such loss payable clauses as shall be satisfactory to Collateral Agent or Beneficiary; in the event of loss Collateral Agent or Beneficiary is expressly authorized to settle or compromise claims under said policies and the proceeds shall be paid to Collateral Agent and/or Beneficiary who may apply same or any part thereof on the indebtedness secured hereby or towards the reconstruction or repair of said buildings or release same to the Grantor; **(e)** to pay any lien, claim or charge against the Real Estate which might take precedence over the lien hereof; **(f)** to pay on demand all legal expenses, title searches, or attorney's fees reasonably incurred or paid by Collateral Agent or Beneficiary to collect the Note or foreclose or protect the lien of the Trust Deed (regardless of whether litigation is commenced and, if litigation is commenced, whether incurred at trial, on appeal, discretionary review or otherwise); **(g)** in the event Grantor shall fail to comply with the provisions of (a) through (f) above, Collateral Agent or Beneficiary may take such action as is necessary to remedy such failure and all sums paid by Collateral Agent or Beneficiary pursuant hereto with interest at the rate hereinafter provided shall constitute a lien upon the Property, shall be secured by this Trust Deed, and shall be immediately due and repayable to Collateral Agent or Beneficiary; **(h)** it is understood and agreed that a material factor in inducing Beneficiary to make this loan to the Grantor is the unique status of the agricultural industry and the expertise and financial strength of the Grantor. In the event the Grantor ceases to own the Real Estate, the security for this loan is thereby deemed to be impaired. Consequently, in the event all or any portion of the Real Estate is sold, contracted for sale, leased with the option to purchase, conveyed, alienated, transferred, or if Grantor is a corporation, or a partnership, more than forty-nine percent (49%) of the corporation stock or partnership interest is sold, contracted for sale, conveyed, alienated, transferred or otherwise disposed of, whether voluntary or involuntary, by operation of law or otherwise, to persons other than the present owners and their heirs prior to the time the indebtedness secured hereby shall have been paid, then, at the option of Collateral Agent or Beneficiary, the entire said indebtedness shall become due and payable and Collateral Agent or Beneficiary may exercise any of its rights and remedies provided for in the Trust Deed; **(i)** if the Real Estate or any portion thereof shall be taken or damaged under the power of eminent domain, the award for any property so taken or damaged (including severance damages to the remaining property) shall be paid to Collateral Agent or Beneficiary and applied in full or in part at the option of Collateral Agent or Beneficiary in reduction of the indebtedness hereby secured; **(j)** Collateral Agent or Beneficiary shall have the right to inspect the Property at such reasonable times as Collateral Agent or Beneficiary may desire to determine the Grantor's compliance with the covenants contained in this Trust Deed; **(k)** Collateral Agent and Beneficiary may release from the lien hereof any part of the above described Property without requiring any consideration therefor, and **(l)** Grantor is lawfully seized of said Real Estate in fee simple, the same is free from encumbrances except as may otherwise be specifically noted herein or waived in writing by Collateral Agent or Beneficiary, Grantor will execute or procure any further necessary assurances of title and does hereby warrant generally the title to said Real Estate and will forever defend the same against the claims and demands of all persons whomsoever, and his

separate estate, whether vested, contingent or in expectancy, is hereby conveyed and he does hereby expressly waive, release and relinquish all rights and benefits of any homestead, dower, curtesy, appraisement, exemption and stay laws of this state. It is agreed that the interest provided for in sub-section (g) above shall be the rate set forth in the Note or any Credit Agreement as the interest rate in effect after an event of default or the highest lawful rate permitted by contract under applicable law, whichever is lesser.

SECOND. Grantor agrees that all of said Property which is erected on, affixed or attached to, or located in or on said Real Estate shall be deemed to be real property and a part of said Real Estate. No fixtures or equipment (including watering and irrigation apparatus) shall be removed from said Real Estate without the prior written consent of Collateral Agent or Beneficiary, except that Grantor shall have the right, without such consent, to remove and dispose of free from the security interest hereof such fixtures and equipment as may from time to time become worn out or obsolete, provided that Grantor shall, simultaneously with or prior to such removal, replace such removed fixtures or equipment with replacement fixtures or equipment having a value, quality and utility at least equal to the removed fixtures or equipment. All agreements of Grantor herein, and all rights of Collateral Agent or Beneficiary herein, relating to said Real Estate shall apply to said Property whether or not expressly referred to herein. This Trust Deed is a financing statement and covers property which is or is to become fixtures and is to be recorded in the real estate records. Grantor is the record owner of said Real Estate.

THIRD. If the Grantor shall default in the payment of the Note or in the performance of any of the covenants or agreements herein or in the Note, the Credit Agreement or in any agreement collateral hereto contained, or if the then owner of the Property shall make an assignment for the benefit of creditors or shall file a petition for relief under the Bankruptcy Act of 1898, as amended, or under any similar statute, or shall be adjudicated bankrupt or insolvent, or if any receiver, liquidator or trustee shall be appointed for such then owner or any of his property, then in such event, the entire indebtedness hereby secured shall, at the option of Collateral Agent or Beneficiary and without presentment, demand, protest or notice to the Grantor, become and be due and payable. Thereafter, Collateral Agent or Beneficiary may:

(a) In person or by agent or by a receiver appointed by a court, with or without bringing any action or proceeding and without regard to the adequacy of its security, the solvency of Grantor or the existence of waste, enter upon the Real Estate and take possession of the Property, or any part thereof, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or part thereof or interest therein, to increase the income therefrom or to protect the security hereof; and, with or without taking possession of the Property, sue for or otherwise collect the rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney's fees (regardless of whether litigation is commenced and, if litigation is commenced, whether incurred at trial, on appeal, discretionary review or otherwise), upon any indebtedness secured by this Trust Deed, all in such order as Collateral Agent or Beneficiary may determine. The entering upon the Real Estate and taking possession of the Property, the collection of such rents and the application thereof as aforesaid shall not cure or waive any event of default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the

continuance in possession of the Property or the collection, receipt and application of rents, Trustee, Collateral Agent or Beneficiary shall be entitled to exercise every right provided for in this Trust Deed, in the Note, the Credit Agreement or any agreement collateral hereto contained or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(b) At Grantor's sole expense, contract for a "Phase I" environmental inspection report prepared and certified by an environmental consultant satisfactory to Collateral Agent or Beneficiary to determine whether the Real Estate complies with all environmental laws and regulations. If, based on the Phase I environmental audit, Collateral Agent or Beneficiary determines that additional testing or investigation should be performed on the Real Estate, such testing shall be performed at Grantor's sole expense;

(c) Commence an action to foreclose this Trust Deed as a mortgage or otherwise, appoint a receiver, or specifically enforce any of the covenants hereof;

(d) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Grantor's interest in the Property to be sold, which notice Trustee, Collateral Agent or Beneficiary shall cause to be duly filed for record in the Official Records of the county in which the Real Estate is located, except as provided herein. ;
or

(e) Proceed as to both the real and personal property in accordance with Collateral Agent's or Beneficiary's rights and remedies in respect of the Property, or proceed to sell any personal property separately and without regard to the Real Estate in accordance with Collateral Agent's or Beneficiary's rights and remedies.

If an event of default shall have occurred and be continuing, Collateral Agent or Beneficiary, as a matter of right and without notice to Grantor or anyone claiming under Grantor, and without regard to the then value of the Mortgaged Property or the interest of Grantor herein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Property, and Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the powers and duties available to receivers under law and all the powers and duties of Collateral Agent or Beneficiary in case of entry as provided above and shall continue as such and exercise all such powers until the date of confirmation of sale of the Property unless such receivership is sooner terminated.

Should Collateral Agent or Beneficiary elect to foreclose by exercise of the power of sale herein contained, Collateral Agent or Beneficiary shall notify Trustee. Upon receipt of such notice from Collateral Agent or Beneficiary, Trustee shall cause to be recorded, delivered or mailed to Grantor such notice of default and election to sell as is then required by law and by this Trust Deed. Trustee shall, without demand on Grantor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale has been given as required by law, sell the Property at the time and place of sale fixed by it in said notice of sale, either as a whole, or in separate lots or parcels or items as Trustee, Collateral Agent or Beneficiary shall deem expedient, and in such order as it may determine, at

public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, Collateral Agent or Beneficiary, may purchase at such sale and Grantor hereby covenants to warrant and defend the title of such purchaser or purchasers. Grantor hereby expressly waives any right of redemption after sale that Grantor may have at the time of sale or that may apply to the sale.

After deducting all costs, fees and expenses of Trustee and of this Trust Deed, including costs of evidence of title in connection with sale and reasonable Trustee's and attorneys' fees for conducting the sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof and not then repaid (with accrued interest at the default rate provided in the Note or any Credit Agreement) and to all other sums then secured hereby in such order as Collateral Agent or Beneficiary shall determine, and the remainder, if any, to the person or persons legally entitled thereto.

Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Collateral Agent or Beneficiary may rescind any such notice of default at any time before Trustee's sale. The exercise by Collateral Agent or Beneficiary of the right of rescission shall not constitute a waiver of any default and demand for sale, or notices of default and of election to cause the Mortgaged Property to be sold, nor otherwise affect the Note or this Trust Deed, or any of the rights, obligations or remedies of Collateral Agent, Beneficiary or Trustee hereunder.

In the event the foreclosure sale is not concluded and Collateral Agent or Beneficiary has allowed Grantor to cure any and all defaults occasioned hereunder, Grantor shall pay to Collateral Agent or Beneficiary all costs and expenses incurred by Collateral Agent or Beneficiary as a result of Grantor's default, including reasonable attorneys' fees.

In the event of a sale of the Property or any part thereof, and the execution of a deed or deeds therefor, the recital therein of default, and of recording notice of breach and election of sale, and of the elapsing of the required time (if any) between the foregoing recording and the following notice, and of the giving of notice of sale, and of a demand by Collateral Agent or Beneficiary, or their successors or assigns, that such sale should be made, shall be conclusive proof of such default, recording, election, elapsing of time, and of the due giving of such notice, and that the sale was regularly and validly made on due and proper demand by Collateral Agent or Beneficiary, their successors or assigns; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Grantor, its successors or assigns, and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money.

FOURTH. The following schedule(s) is (are) annexed hereto and made a part hereof (if no entry, this section is inapplicable): _____.

FIFTH. Grantor acknowledges that his/her current financial position is an important factor in Beneficiary's decision to advance the funds represented by the aforementioned Note. Grantor therefore has agreed, in order to provide assurance to Collateral Agent and Beneficiary with regard to Grantor's financial position, that it shall be an event of default for Grantor to allow any lien or encumbrance other than this Trust Deed and the lien for taxes which are not yet due and payable to be placed on all or any part of the Real Estate described above and allowed to remain a lien for N/A day(s) EXCEPT a lien junior and inferior to this Trust Deed may be placed on all or a part of said Mortgaged Property in favor of N/A in a principal amount not to exceed N/A to be placed of record no later than N/A.

SIXTH. The covenants herein contained shall bind, and the benefits and advantages thereof shall inure to the respective heirs, executors, administrators, successors, or assigns of the parties hereto. In this Trust Deed unless the context otherwise requires, words in the singular number include the plural and in the plural include the singular, and words in the masculine gender include the feminine and the neuter. Whenever the term "Grantor" shall include more than one person or entity, their liability hereunder shall be joint and several.

SEVENTH. Grantor shall not suffer any waste of the Property and will not permit or conduct either the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act, or the disposal on the Real Estate of petroleum or any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, and will perform all remedial actions reasonably necessary as the result of the presence of any such hazardous wastes, petroleum or hazardous substances on, at or near the Real Estate. Notwithstanding any terms of the loan documents to the contrary, Grantor shall be personally liable for and hereby agrees to defend, indemnify, and hold Beneficiary, its directors, officers, employees, agents, successors and assigns harmless from all loss, cost, damage, claim, liability and expense (including attorney fees and costs, whether at trial, on appeal or otherwise) in connection with the falsity in any material respect of the covenants contained herein or in connection with any and all Pre-Foreclosure Transfer Environmental Losses, including but not limited to: (i) loss, liability, damage, expense or claim arising from the imposition or recording of a lien, the incurring of costs of required repairs, clean up or detoxification and removal under any Laws with respect to the Property or liability to any third party in connection with any violation of Laws, (ii) other loss, liability, damage, expense or claim which may be incurred by or asserted against Beneficiary directly or indirectly resulting from the presence on or under, or the discharge, emission or release from the Property into or upon the land, atmosphere, or any watercourse, body of surface or subsurface water or wetland, arising from the installation, use, generation, manufacture, treatment, handling, refining, production, processing, storage, removal, clean up or disposal of any Hazardous Materials or Wastes whether or not caused by Grantor (all of the foregoing are hereafter referred to as "Hazardous Substance Activity"), (iii) loss of value of the Property as a result of the presence of Hazardous Materials or Wastes in, on, or under the Premises or any such lien, clean up, detoxification, loss, liability, damage, expense or claim or a failure or defect in title occasioned by any Hazardous Materials or Wastes or Laws and (iv) foreseeable and

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unforeseeable incidental and consequential damages. As used in this paragraph, "Pre-Foreclosure Transfer Environmental Losses" means losses suffered or incurred by Beneficiary prior to a Foreclosure Transfer (defined below) that arise out of or result from (i) the occurrence, at any time prior to a Foreclosure Transfer, of any Hazardous Substance Activity; (ii) any investigation, inquiry, order, hearing, action, or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity occurring or allegedly occurring at any time prior to a Foreclosure Transfer; or (iii) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against Beneficiary which relates to, arises from or is based on any of the matters described in clauses (i), or (ii) hereof, or any allegation of any such matters. As used in this paragraph, the phrase "at any time prior to a Foreclosure Transfer" includes the period between the time of Grantor's disposition of the Premises and the time of a Foreclosure Transfer (in the event that Grantor disposes of the Premises prior to a Foreclosure Transfer), as well as the period during which Grantor holds title to the Premises. A "Foreclosure Transfer" means the transfer of title to all or any part of the Premises at a foreclosure sale under this Trust Deed, either pursuant to judicial decree or the power of sale contained in the Trust Deed, or by deed in lieu of such foreclosure. As used in this paragraph, the phrase "Laws" means any federal, state or local laws, rules or regulations (whether now existing or hereinafter enacted or promulgated) including, without limitation, the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*, the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 *et seq.*, and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 *et seq.*, and any similar state laws, as well as any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments. As used in this paragraph, the term "Hazardous Materials or Wastes" shall mean any hazardous or toxic materials, pollutants, chemicals, mold or contaminants, including without limitation asbestos, polychlorinated biphenyls (PCBs) and petroleum products as defined, determined or identified as such in any Laws, as defined herein. Grantor shall also be liable for compliance (and for costs associated therewith) with any directive or order by any governmental entity relating to the presence of any such hazardous waste, petroleum or hazardous substance on, at, or near the Real Estate. Grantor will deliver promptly to Collateral Agent or Beneficiary (i) copies of any documents received from the United States Environmental Protection Agency and/or any state, county or municipal environmental or health agency concerning the Grantor's operations upon the Real Estate; and (ii) copies of any documents submitted by the Grantor to the United States Environmental Protection Agency and/or any state, county or municipal environmental or health agency concerning operations on the Real Estate.

EIGHTH. Grantor, its successors or assigns and each of them, represent and warrant that the Mortgaged Property involved in this transaction does not represent the proceeds of some form of unlawful activity under any state, federal or foreign law.

NINTH. This Trust Deed constitutes a security agreement within the meaning of the Uniform Commercial Code ("UCC") as in effect from time to time in the state where the Collateral is located except to the extent the UCC provides for the application of the law of the state of location of the Grantor in which event the UCC as in effect from time to time, in such state shall apply, with respect to any part of the Property which may now or hereafter be characterized by law as personal property, and in the event of any default under this Trust Deed

which continues beyond the applicable notice and cure period, if any, Collateral Agent or Beneficiary shall have all the rights and remedies of a secured party under the UCC as in effect from time to time, as well as all other rights and remedies available hereunder or under this Trust Deed at law or in equity. Grantor authorizes Collateral Agent or Beneficiary to file one or more financing statements and continuation statements, at Grantor's expense, describing the Collateral and hereby ratifies any such financing statement or continuation statement previously filed by Collateral Agent or Beneficiary. Grantor will, from time to time, within ten (10) days after request by the Collateral Agent or Beneficiary, execute, acknowledge and deliver any document that Collateral Agent or Beneficiary might request in order to perfect, protect, preserve, continue, extend or maintain the security interest created by and the priority of this Trust Deed and will, on demand, pay any expenses incurred by Collateral Agent and/or Beneficiary in the preparation, execution and filing of any such documents. Grantor represents and warrants that: (a) all Collateral is located in the state in which the Real Estate is located; (b) Grantor's chief executive office or principal residence is Grantor's address set forth in the first paragraph of this Trust Deed; (c) Grantor's state of organization, if applicable, is as set forth in the first paragraph of this Trust Deed; and (d) Grantor's exact legal name is as set forth in the first paragraph of this Trust Deed.

TENTH. This Trust Deed shall be governed by and construed and interpreted in accordance with the internal laws of the state in which the Real Estate is located, except and only to the extent the UCC provides otherwise.

ELEVENTH. Without affecting the personal liability of any person, including Grantor (other than any person released pursuant hereto), for the payment of the Note or in the performance of any of the covenants or agreements herein or in the Note, any Credit Agreement or in any agreement collateral hereto contained, and without affecting the lien of this Trust Deed for the full amount of the indebtedness remaining unpaid upon any property not reconveyed pursuant hereto, Collateral Agent, Beneficiary and Trustee are respectively authorized and empowered as follows: Collateral Agent or Beneficiary may at any time and from time to time, either before or after the maturity of the Note, and without notice: (a) release any person liable for the payment of any of the indebtedness hereby secured, (b) make any agreement extending the time or otherwise modifying the terms of payment of any of the indebtedness hereby secured, (c) accept additional security therefor of any kind or (d) without the prior consent of junior lienholders, release, and instruct the Trustee to execute partial reconveyances of, portions of any property, real or personal, securing the payment of the Note or the performance of any of the covenants or agreements herein or in the Note, Credit Agreement or in any agreement collateral hereto contained, from the lien of this Trust Deed. Trustee may, without liability therefor and without notice, at any time and from time to time so long as the lien or charge hereof shall subsist, but only upon the written request of Collateral Agent or Beneficiary: (a) consent to the making of any map or plat of the Real Estate (b) join in granting an easement on the Real Estate or in creating any covenants restricting use or occupancy thereof, (c) reconvey, without warranty, any part of the Real Estate, or (d) join in any extension or modification agreement or in any agreement subordinating the lien or charge hereof.

TWELFTH. Upon written request of Collateral Agent or Beneficiary stating that the

entire indebtedness hereby secured has been paid, Trustee shall reconvey without warranty, any portions of the Property then held by Trustee. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto," or by other appropriate terms. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

THIRTEENTH. Collateral Agent or Beneficiary may at any time appoint a successor Trustee by filing for record in each county where the Mortgaged Property or any part thereof is located a notice of substitution of trustee containing the statements required by law. The successor Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein, and the Trustee named herein shall thereupon be discharged.

FOURTEENTH. Grantor represents to Collateral Agent and/or Beneficiary that Grantor has reviewed the following statutory requirements and has reviewed with or had the opportunity to review same with counsel of its choosing:

- (a) **LAND USE.**
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.
- (b) **STATUTE OF FRAUDS.**
UNDER OREGON LAW, MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY BENEFICIARY CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY GRANTOR'S/BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BENEFICIARY TO BE ENFORCEABLE.
- (c) **WARNING.**

UNLESS YOU PROVIDE US WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY OUR CONTRACT OR LOAN AGREEMENT, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPERTY COVERAGE ELSEWHERE.

YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR CONTRACT OR LOAN BALANCE. IF THE COST IS ADDED TO YOUR CONTRACT OR LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING CONTRACT OR LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR THE DATE YOU FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

FIFTEENTH. ("Lienor" whether one or more) waives any right to require Collateral Agent or Beneficiary to: (a) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of the indebtedness, default by the maker(s) of the Promissory Note secured hereby ("Borrower") or any other guarantors or sureties ("Guarantor" whether one or more), any action or nonaction taken by Borrower, Collateral Agent, Beneficiary, or any other Guarantor, or the creation of new or additional indebtedness; (b) proceed against any person, including Borrower, or any Guarantor before proceeding against Lienor; (c) proceed against any collateral for the indebtedness, including Borrower's collateral, before proceeding against Lienor and/or Lienor's collateral; (d) apply any payments or proceeds received against the indebtedness in any order; (e) give notice of the terms, time, and place of any sale of any collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (f) disclose any information about the indebtedness, the Borrower, any collateral, or any Guarantor, or about any action or nonaction of Collateral Agent or Beneficiary; or (g) pursue any remedy or course of action in Collateral Agent or Beneficiary's power whatsoever.

Lienor also waives any and all rights or defenses arising by reason of (i) any disability or other defense of Borrower, any Guarantor or any other person; (ii) the cessation from any cause whatsoever, other than payment in full, of the indebtedness; (iii) the application of proceeds of the indebtedness by Borrower for purposes other than the purposes understood and intended by Lienor and Collateral Agent or Beneficiary; (iv) any act of omission or commission by

Collateral Agent or Beneficiary which directly or indirectly results in or contributes to the discharge of Borrower or any Guarantor, or the indebtedness, or the loss or release of any collateral by operation of law or otherwise; (v) any statute of limitations in any action under this Trust Deed or on the indebtedness; or (vi) any modification or change in terms of the indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the indebtedness is due and any change in the interest rate.

Lienor waives all rights and defenses arising out of an election of remedies by Collateral Agent or Beneficiary, even though that election of remedies, such as nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed Lienor's rights of subrogation and reimbursement against Borrower.

Lienor waives all rights and defenses that Lienor may have because Borrower's obligation is secured by real property. This means among other things: (1) Collateral Agent or Beneficiary may collect from Lienor without first foreclosing on any real or personal property collateral pledged by Borrower. (2) If Collateral Agent or Beneficiary forecloses on any real property collateral pledged by Borrower, (a) the amount of Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; (b) Collateral Agent or Beneficiary may collect from Lienor even if Collateral Agent or Beneficiary, by foreclosing on the real property collateral, has destroyed any right Lienor may have to collect from Borrower. This is an unconditional waiver of any rights and defenses Lienor may have because Borrower's obligation is secured by real property.

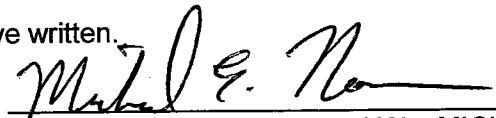
Lienor understands and agrees that the foregoing waivers are waivers of substantive rights and defenses to which Lienor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided by the applicable laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Lienor acknowledges that Lienor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Collateral Agent or Beneficiary. Until all indebtedness is paid in full, Lienor waives any right to enforce any remedy Collateral Agent or Beneficiary may have against Borrower or any other guarantor, surety, or other person, and further, Lienor waives any right to participate in any collateral for the indebtedness now or hereafter held by Collateral Agent or Beneficiary.

Lienor's submission of any report, record or other information pertaining to Lienor's or any of its subsidiary's condition or operations, financial or otherwise, from time to time, whether or not required under the terms of this instrument, will be deemed to be accompanied by a representation by Lienor that such report, record or information is complete and accurate in all material respects as to Lienor's or any such subsidiary's (and, if applicable, any of Lienor's or such subsidiary's partners, shareholders, members, or other principals) condition or operations, as of the date of such submission, including, without limitation, all material contingent liabilities, condition or operations.

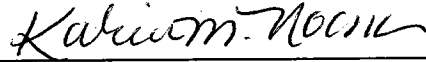
IN WITNESS WHEREOF, each of the undersigned has signed, sealed and delivered this



Trust Deed as of the day, month and year first above written.



MICHAEL E. NOONAN AKA MICHAEL
EDWARD NOONAN



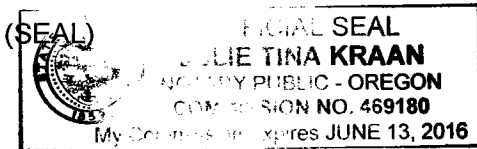
KARIN M. NOONAN AKA KARIN
MARGARET NOONAN

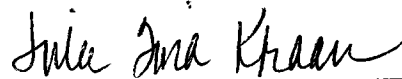
STATE OF OREGON)

COUNTY OF Klamath) SS:

I, Julie Kraan, a Notary Public in and for said County and State, do hereby certify that on this 26 day of September, 2013, personally appeared before me the within named MICHAEL E. NOONAN AND KARIN M. NOONAN to me known to be the individual(s) described in and who executed and whose name(s) is (are) subscribed to the within and foregoing instrument, and duly acknowledged to me that they signed and executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal, the day and year in this certificate first above written.





Notary Public

My commission expires: 2016



EXHIBIT "A"

Legal Description

Klamath County Oregon

TWP 40 RNGE 9, BLOCK SEC 1, TRACT POR SE4SE4

Ku

Exhibit "B"

Personal Property



Initials MEW.

KN