

2014-002463

Klamath County, Oregon

03/21/2014 04:08:18 PM

Fee: \$137.00

WHEN RECORDED MAIL TO:
THE COMMERCE BANK OF WASHINGTON, N.A.
601 UNION STREET, SUITE 3600
SEATTLE, WA 98101

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FINANCING STATEMENT AND COLLATERAL ASSIGNMENT OF LEASES

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH ORS 79.0502(3) THAT SHALL HAVE AN EFFECTIVE PERIOD UNTIL THIS DEED OF TRUST IS RECONVEYED OR SATISFIED OF RECORD OR ITS EFFECTIVENESS OTHERWISE TERMINATES AS TO THE REAL PROPERTY.

THIS DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FINANCING STATEMENT AND COLLATERAL ASSIGNMENT OF LEASES ("Deed of Trust") is dated March 21, 2014, among WENOREGON LLC, AN OREGON LIMITED LIABILITY COMPANY, whose address is 503 EAST 2ND AVENUE, SUITE B, SPOKANE, WA 99202 ("Grantor"); THE COMMERCE BANK OF WASHINGTON, N.A., whose address is 601 UNION STREET, SUITE 3600, SEATTLE, WA 98101 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and UPF WASHINGTON, INCORPORATED, whose address is 12410 E. MIRABEAU PARKWAY, SUITE 100, SPOKANE VALLEY, WA 99216 (referred to below as "Trustee").

For purposes of Article 9 of the Uniform Commercial Code (Oregon Revised Statutes Chapter 79), this Deed of Trust constitutes a Security Agreement, Financing Statement and Fixture Filing with the Grantor being the Debtor and the Lender being the Secured Party.

CONVEYANCE AND GRANT. For valuable consideration, represented in the Note dated March 21, 2014, in the original principal amount of \$6,000,000.00, from Grantor to Lender, Grantor assigns and conveys to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest to Trustee, IN TRUST, WITH POWER OF SALE, all of Grantor's present and future estate, right, title, claim and interest, either in law or in equity, in and to the following property:

- A. Assignment of all of Grantor's rights, interests and estates of Grantor in, to and under those Leases identified below (the "Leases"), together with all renewals and extensions of the Lease and other agreements and all other leases or agreements that may hereafter be entered into which cover all or any portion of the leasehold interest, the premises described below and on Exhibit "A" hereto (the "Leased Premises"). This is a present transfer to Trustee of all of Grantor's rights to collect and receive rents and charges from approved users, operators, sublessees and permittees.
- B. Grantor's interest in all buildings, improvements and tenements now or hereafter located on the Leased Premises ("Improvements"), including without limitation all fixtures and articles of property attached to, or used or adapted for use in the ownership, development, operation or maintenance of the Land and Improvements (whether such items are leased, owned, or subject to any title-retaining or security instrument); all heating, cooling, air-conditioning, ventilating, refrigerating, plumbing, generating, power, lighting, laundry, maintenance, incinerating, lifting, cleaning, fire prevention and extinguishing, security and access control, cooking, gas, electric and communication fixtures, equipment and apparatus; all engines, motors, conduits, pipes, pumps, tanks, ducts, compressors, boilers, water heaters and furnaces; all ranges, stoves, disposals, refrigerators and other appliances; all escalators and elevators, baths, sinks, all cabinets, partitions, mantels, built-in mirrors, window shades, blinds, screens, awnings, storm doors, windows and sash; all carpeting, underpadding, floor covering, paneling, and draperies; all furnishings of public spaces, halls and lobbies; and all shrubbery and plants. All such items shall be deemed part of the Land and not severable wholly or in part without material injury to the freehold.
- C. All of Grantor's interest in the present and future rents, revenues, issues, profits and income of the Leased Premises and Improvements, and all present and future leases and other agreements for the occupancy or use of all or any part of the Leased Premises and Improvements, including without limitation all cash or security deposits, advance rentals and deposits or payments of similar nature, and all guarantees of tenants' or occupants' performance under such leases and agreements.
- D. All tangible and intangible personal property now or hereafter used or acquired in connection with the ownership, development, operation or maintenance of the Leased Premises and Improvements, including without limitation all furniture, furnishings, equipment, supplies, and other goods, wherever located, whether in the possession of Grantor, warehousemen, bailee, or any other person; all site plans, plats, architectural plans, specifications, work drawings, surveys, engineering reports, test borings, market surveys, and other similar work products; all permits, licenses, franchises, and trade names; all contract rights (including without limitation all architectural, construction, engineering, consulting, and management contracts, all insurance policies, and all performance, payment, completion and other surety bonds); and all claims, causes of action, warranties, accounts receivable, escrow accounts, insurance policies, deposits (including tax, insurance and other reserves), instruments, documents of title, general intangibles, and business records.
- E. All present and future monetary deposits given to any public or private utility with respect to utility services furnished to the Leased Premises or the Improvements.

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- F. All proceeds (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including without limitation the insurance proceeds and condemnation awards.
- G. All proceeds of the foregoing.

This Deed of Trust shall cover all of Grantor's leasehold estate under the Leases and Leasehold Property described below (**hereinafter collectively, the "Property"**):

1. Indenture of Lease dated July 21, 1980 by and between STH, Inc. as Lessor and BLT Enterprises, Inc. as Lessee, and Addendum thereto executed by Walt Stallcup Enterprises, Inc. as Lessee on January 26, 2001; Assignment of Lessee's Interest in Lease and Assumption, Walt Stallcup Enterprises, Inc., assignor, to Wenoregon, LLC, assignee, dated March 24, 2014, the real property commonly known as 925 South Broadway, Coos Bay, Oregon, situated in Coos County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
2. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 1609 NE 3rd Street, Bend, Oregon ("North Bend"), situated in Deschutes County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
3. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 61395 S. Highway 97, Bend, Oregon ("South Bend"), situated in Deschutes County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
4. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 798 NW Garden Valley Boulevard, Roseburg, Oregon, situated in Douglas County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
5. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 1829 NE 6th, Grants Pass, Oregon, situated in Josephine County, Oregon,
6. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 2150 South Sixth Street, Klamath Falls, Oregon, situated in Klamath County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
7. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 940 South Riverside, Medford, Oregon, situated in Jackson County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
8. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 1624 Ashland Street, Ashland, Oregon, situated in Jackson County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
9. Lease Agreement dated March 24, 2014 between Stallcup Properties, LLC and Wenoregon LLC, the real property is commonly known as 1920 North Pacific Highway, Medford, Oregon, situated in Jackson County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";
10. Ground Lease dated December 19, 1980 between Bear Creek Plaza, Ore. Ltd. as Lessor and B.L.T. Enterprises, Inc., Lloyd Y. Thompson and Terry L. Farnham as Lessees and Sublease thereunder dated April 21, 2006 with Walt Stallcup Enterprises, Inc. as Lessee; Assignment of Lessee's Interest in Lease and Assumption, Walt Stallcup Enterprises, Inc., assignor, to Wenoregon, LLC, assignee, dated March 24, 2014, the real property is commonly known as 1010 Biddle Road, Medford, Oregon, situated in Jackson County, Oregon, the complete legal description of which is attached hereto as Exhibit "A"; and
11. Lease agreement between Rogue Valley Mall, LLC and Wenoregon, LLC, as successor and as signor to the Walt Stallcup Enterprises, Inc., dated April 29, 2008; Assignment of Lessee's Interest in Lease and Assumption, Walt Stallcup Enterprises, Inc., assignor, to Wenoregon, LLC, assignee, dated March 24, 2014, the real property is commonly known as 1600 N. Riverside Avenue, Rogue Valley Mall, Unit 2065, Medford Oregon, situated in Jackson County, Oregon, the complete legal description of which is attached hereto as Exhibit "A";

THIS DEED OF TRUST, INCLUDING THE SECURITY AGREEMENT, FIXTURE FINANCING STATEMENT AND COLLATERAL ASSIGNMENT OF LEASE, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the

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Property or to other limitations on the Property. 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's leasehold interest in the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

Compliance with Lease. Grantor will pay all rents and will strictly observe and perform on a timely basis all other terms, covenants, and conditions of the Leases. Grantor will indemnify, defend, and hold Lender harmless against all losses, liabilities, actions, suits, proceedings, costs including attorneys' fees claims, demands, and damages whatsoever which may be incurred by reason of Grantor's failure to pay rents or strictly observe or perform under the Leases.

Other Agreements Relating to the Leases. Grantor further agrees (1) not to surrender, terminate, or cancel the Leases, and (2) not to modify, change, supplement, alter, or amend the Leases, either orally or in writing, without Lender's prior written consent. Any attempt by Grantor to do any of the foregoing without Lender's prior written consent will be void and of no force and effect. At Lender's option, Grantor will deposit with Lender as further security all original documents relating to the Leases and the leasehold interest in the Property. Unless Grantor is in breach or default of any of the terms contained in this Deed of Trust, Lender will have no right to cancel, modify, change,

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supplement, alter or amend the leasehold interest. No estate in the Property, whether fee title to the leasehold premises, the leasehold estate, or any subleasehold estate, will merge without Lender express written consent; rather these estates will remain separate and distinct, even if there is a union of these estates in the landlord, Grantor, or a third party who purchases or otherwise acquires the estates. Grantor further agrees that if Grantor acquires all or a portion of the fee simple title, or any other leasehold or subleasehold title to the Property, that title will, at Lender's option, immediately become subject to the terms of this Deed of Trust, and Grantor will execute, deliver and record all documents necessary or appropriate to assure that such title is secured by this Deed of Trust.

Notices Relating to the Leases. Grantor will promptly notify Lender in writing:

- (1) if Grantor is in default in the performance or observance of any of the terms, covenants, or conditions which Grantor is to perform or observe under the Leases;
- (2) if any event occurs which would constitute a default under the Leases;
- (3) if any notice of default is given to Grantor by the landlord under the Leases;
- (4) if, pursuant to the Leases, any proceeds received for the Property are deposited with someone other than Lender, whether received from any insurance on the Property or from the taking of any or all of the Property by eminent domain; and
- (5) if any arbitration or appraisal proceedings are requested or instituted pursuant to any one or more of the Leases.

Grantor agrees to provide Lender promptly with a copy of all written materials relating to any of the above and to provide Lender with such other information as Lender may reasonably request. Grantor agrees that promptly after the execution and delivery of this Deed of Trust, Grantor will notify the landlord under the Leases in writing of the execution and delivery of this Deed of Trust and of the name and address of Lender and will deliver a copy of this Deed of Trust to the landlord.

Option to Cure Lease Default. Upon Lender's receipt of any written notice of Grantor's default under any one or more of the Leases, Lender may, at Lender's option, cure such default, even though Grantor, or any party on behalf of Grantor, questions or denies the existence of such default or the nature of the default. Grantor expressly grants to Lender the absolute and immediate right to enter upon the Property to such extent and as often as Lender in its sole discretion deems necessary or desirable in order to prevent or cure any such default by Grantor.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of an interest in the Property. Transfer, as used herein, also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Oregon law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that

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coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. So long as any Indebtedness is outstanding and an Event of Default has not occurred, all proceeds of any insurance claim with respect to such loss or damage to the property shall be paid to Grantor to be held in an interest bearing account by Lender. The proceeds shall be paid solely: (i) to repair, replace, rebuild or restore the Property to substantially the same condition as existed before the loss or damage, and the remainder released to Lender; or, (ii) to the Lender. If an Event of Default has occurred, whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the leasehold interest in the Property pursuant to the Lease, free and clear of all liens and encumbrances other than those set forth in the real property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Property. Grantor shall reimburse Lender for

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all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes

DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FINANCING STATEMENT AND COLLATERAL ASSIGNMENT OF LEASES

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false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Lease Default. Grantor defaults under the terms of any one or more of the Leases, or any other event (whether or not Grantor's fault) results in the termination or cancellation of Grantor's leasehold rights.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Foreclosure. With respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law. If this Deed of Trust is foreclosed by judicial foreclosure, Lender will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for the amount of the unpaid balance of the judgment.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in

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equity.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least fifteen (15) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the real property.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the real property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the real property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office in which any one the Property(s) is located. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

ORAL AGREEMENTS. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

WAIVER OF DEFENSES AND RELEASE OF CLAIMS. The undersigned hereby (i) represents that neither the undersigned nor any affiliate or principal of the undersigned has any defenses to or setoffs against any indebtedness or other obligations owing by the undersigned, or by the undersigned's affiliates or principals, to Lender or Lender's affiliates (the "Obligations"), nor any claims against Lender or Lender's affiliates for any matter whatsoever, related or unrelated to the Obligations, and (ii) releases Lender and Lender's affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that the undersigned has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to the undersigned by Lender or Lender's affiliates. As used in this paragraph, the word "undersigned" does not include Lender or any individual signing on behalf of Lender. The undersigned acknowledges that Lender has been induced to enter into or continue the Obligations by, among other things, the waivers and releases in this paragraph.

CERTAIN OBLIGATIONS UNSECURED. As used herein, the term "Related Documents" does not mean the "Hazardous Substances Agreement" dated the same as this Deed of Trust and executed by Borrower in favor of Lender, and any and all modifications, extensions, renewals and

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replacements thereof. Notwithstanding anything to the contrary set forth herein or any of the Loan Documents, this Deed of Trust shall not secure the following obligations (the "Unsecured Obligations"): (a) any obligations evidenced by or arising under the Hazardous Substances Agreement, and (b) any other obligations in this Deed of Trust or in any of the other Loan Documents to the extent that such other obligations relate specifically to the presence on the Property of Hazardous Materials and are the same or have the same effect as any of the obligations evidenced by or arising under the Hazardous Substances Agreement. Any breach or default with respect to the Unsecured Obligations shall constitute an Event of Default hereunder, notwithstanding the fact that such Unsecured Obligations are not secured by this Deed of Trust. Nothing in this Section shall, in itself, impair or limit Lender's right to obtain a judgment in accordance with applicable law after foreclosure for any deficiency in recovery of all obligations that are secured by this Deed of Trust following foreclosure.

COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, are an original, and all taken together, constitute one Agreement.

UNLAWFUL USE, MEDICAL MARIJUANA, CONTROLLED SUBSTANCES AND PROHIBITED ACTIVITIES. The undersigned shall not use, occupy, or permit the use or occupancy of any Property or Collateral by the undersigned or any lessee, tenant, licensee, permittee, agent, or any other person in any manner that would be a violation of any applicable federal, state or local law or regulation, regardless of whether such use or occupancy is lawful under any conflicting law, including without limitation any law relating to the use, sale, possession, cultivation, manufacture, distribution or marketing of any controlled substances or other contraband (whether for commercial, medical, or personal purposes), or any law relating to the medicinal use or distribution of marijuana (collectively, "Prohibited Activities"). Any lease, license, sublease or other agreement for use, occupancy or possession of any Property or Collateral (collectively a "lease") with any third person ("lessee") shall expressly prohibit the lessee from engaging or permitting others to engage in any Prohibited Activities. The undersigned shall upon demand provide Lender with a written statement setting forth its compliance with this section and stating whether any Prohibited Activities are or may be occurring in, on or around the Property or Collateral. If the undersigned becomes aware that any lessee is likely engaged in any Prohibited Activities, The undersigned shall, in compliance with applicable law, terminate the applicable lease and take all actions permitted by law to discontinue such activities. The undersigned shall keep Lender fully advised of its actions and plans to comply with this section and to prevent Prohibited Activities.

This section is a material consideration and inducement upon which Lender relies in extending credit and other financial accommodations to the undersigned. Failure by the undersigned to comply with this section shall constitute a material non-curable Event of Default. Notwithstanding anything in this agreement, the Note or Related Documents regarding rights to cure Events of Default, Lender is entitled upon breach of this section to immediately exercise any and all remedies under this agreement, the Note the Related Documents, and by law.

In addition and not by way of limitation, the undersigned shall indemnify, defend and hold Lender harmless from and against any loss, claim, damage, liability, fine, penalty, cost or expense (including attorneys' fees and expenses) arising from, out of or related to any Prohibited Activities at or on the Property or Collateral, Prohibited Activities by the undersigned or any lessee of the Property or Collateral, or the undersigned's breach, violation, or failure to enforce or comply with any of the covenants set forth in this section. This indemnity includes, without limitation any claim by any governmental entity or agency, any lessee, or any third person, including any governmental action for seizure or forfeiture of any Property or Collateral (with or without compensation to Lender, and whether or not Property or Collateral is taken free of or subject to Lender's lien or security interest). As used in this section, the word "undersigned" does not include Lender or any individual signing on behalf of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Deed of Trust will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of Oregon. In all other respects, this Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Deed of Trust is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Deed of Trust has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of Washington.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of KING County, State of Washington.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or

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withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Oregon as to all Indebtedness secured by this Deed of Trust.

Commercial Deed of Trust. Grantor agrees with Lender that this Deed of Trust is a commercial deed of trust and that Grantor will not change the use of the Property without Lender's prior written consent.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means THE COMMERCE BANK OF WASHINGTON, N.A., and its successors and assigns.

Borrower. The word "Borrower" means WENOREGON LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust, Security Agreement, Fixture Financing Statement and Collateral Assignment of Lease, among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the assignment of the Leases, the Leased Premises, the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto or intended to protect human health or the environment.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means WENOREGON LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum, including crude oil and any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Property, facilities, additions, replacements and other construction on the Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Leases. The word "Leases" means the leases described above and on the Attached Exhibit "A".

Lender. The word "Lender" means THE COMMERCE BANK OF WASHINGTON, N.A., its successors and assigns.

Note. The word "Note" means the promissory note dated March 21, 2014, in the original principal amount of \$6,000,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the debt or debts secured by this Deed of Trust is March 31, 2019, which may be amended.

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Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Grantor's leasehold estate under the Leases, the Leased Premises, the Property and the Personal Property.

Real Property. The words "Real Property" mean collectively the Grantor's leasehold estate under the Leases, the Leased Premises and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

WENOREGON LLC

By: P. Nisbet

PETER B. NISBET, Manager of WENOREGON LLC

LIMITED LIABILITY COMPANY ACKNOWLEDGEMENT

STATE OF WASHINGTON

County of King) ss

On this 20 day of March, 2016, before me, the undersigned, Notary Public personally appeared PETER B. NISBET, Manager of WENOREGON LLC and personally known to me, or on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Deed of Trust, and acknowledged the Deed of Trust to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization, or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the limited liability company.

By: DR. MANOE THORNTON

(Signature of Notary)

Print Name: DR. MANOE THORNTON

Notary Public in and for the State of WA

My commission expires: 6-10-2016

REQUEST FOR FULL RECONVEYANCE

To: _____, Trustee

**DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FINANCING STATEMENT AND
COLLATERAL ASSIGNMENT OF LEASES**

(Continued)

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The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. You are hereby requested, upon payment of all sums owing to you, to reconvey without warranty, to the persons entitled thereto, the right, title and interest now held by you under the Deed of Trust.

Date: _____

Beneficiary: _____

By: _____

Its: _____

Unofficial
Copy

**DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FINANCING
STATEMENT AND COLLATERAL ASSIGNMENT OF LEASE**

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1. 925 South Broadway, Coos Bay, Oregon - Legal Description

Lots 35 through 40, inclusive, Block 22, Railroad Addition to Marshfield now Coos Bay, Coos County, Oregon.

2. 1609 N.E. 3rd Street, Bend, Oregon - Legal Description

Lots One (1), Two (2), Seven (7) and Eight (8), Block Sixteen (16), RIVERSIDE recorded August 1, 1918 in Cabinet A, Page 17, Deschutes County, Oregon. TOGETHER WITH that portion of vacated alley that inured thereto upon the vacation thereof, by vacation order NS-1192, recorded in Book 302, Page 230, Deed Records, Deschutes County, Oregon.

3. 61395 S. Highway 97, Bend, Oregon - Legal Description

A portion of Tract 2, BLAKLEY HEIGHTS, Deschutes County, Oregon, described as follows:

Beginning at a 5/8 inch iron rod at the Southeast corner of that parcel described in Book 359, Page 1208, Official Records, said point lying South 69°30'00" East, 428.14 feet from a 2 inch iron pipe at the center of said Section Eight (8); thence along the Southern boundary of said parcel, West 191.49 feet; thence leaving said boundary North 00°49'20" East, 150.16 feet to a point on the Northerly boundary of that parcel described in Book 342, Page 249, Deed Records; thence along the Northerly boundary of that parcel described in Book 342, Page 249, Deed Records, and the Northerly boundary of that parcel described in Book 359, Page 1208, Official

Records, thence North 89°53'24" East, 296.97 feet to a point on the Westerly right of way of U.S. Highway 97; thence along said Westerly right of way South 35°50'57" West, 183.77 feet to the point of beginning and terminus of this description.

4. 798 N.W. Garden Valley Boulevard, Roseburg, Oregon - Legal Description

Lot One (1), Block One (1), HOUSLEY HEIGHTS PLAT 1, Douglas County, Oregon.

5. 1829 N.E. 6th, Grants Pass, Oregon - Legal Description

A parcel of land in the Northeast Quarter of the Northwest Quarter of Section 8, Township 36 South, Range 5 West of the Willamette Meridian, Josephine County, Oregon, being more particularly described as follows:

Beginning at an iron rod on the East right of way line of Sixth Street, which bears North 0° 06' 21" West, 396.00 feet from the South line of said Northeast Quarter of the Northwest Quarter; thence North 89°56'20" East, 220.00 feet to an iron rod; thence South 0°06' 21" East, 19.90 feet to an iron rod; thence South 89°56'20" West 20.00 feet to an iron rod; thence South 0° 06' 21" East 85.10 feet to an iron rod;

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thence South 89° 56' 20" West, 200.00 feet to said East right of way line; thence North 0° 06' 21" West, 105.00 feet to the true point of beginning.

6. 2150 South Sixth Street, Klamath Fall, Oregon - Legal Description

Lots 1 through 6, Block 1, RESUBDIVISION OF BLOCK 242, MILLS SECOND ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

TOGETHER WITH that portion of the vacated alley which inures by law thereto by Ordinance No. 07-15 recorded July 26, 2007 in Volume 2007-013252, Microfilm Records of Klamath County, Oregon.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by instrument recorded June 29, 1942 in Book 148, page 201, Deed Records of Klamath County, Oregon.

7. 940 South Riverside, Medford, Oregon - Legal Description

Lots 24, 25, 26 and 27 in Block 1 of WHITMAN PARK to the City of Medford, Jackson County, Oregon, according to the official plat thereof, now of record.

EXCEPTING THEREFROM that portion conveyed to the City of Medford, an Oregon Municipal Corporation, by instrument recorded as Document No. 77-08369, Official Records of Jackson County, Oregon.

For Informational purposes only, the following is included:

(Map No. 371W30CD, Tax Lot 7600, Account No. 1-037543-2, Code 49-01)

8. 1624 Ashland Street, Ashland, Oregon 97520 - Legal Description

Parcel No. Two (2) of Minor Partition Plat recorded August 17, 1993 as Partition Plat No. P-69-1993 of "Record of Partition Plats" in Jackson County, Oregon, and filed as Survey #13617 in the Office of the Jackson County Surveyor.

For Informational purposes only, the following is included:

(Map No. 391E15AB, Tax Lot 6801, Account No. 1-083863-3, Code 5-01)

9. 1920 North Pacific Highway, Medford, Oregon - Legal Description

Commencing at the 1 inch diameter iron pin in a monument case marking the intersection of the Westerly right of way boundary of Table Rock Road with the Northerly right of way boundary of Rogue Valley Highway (formerly State Highway No. 99), being in the Southeast Quarter of Section 13 in

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Township 37 South, Range 2 West of the Willamette Meridian, City of Medford, Jackson County, Oregon; thence along said Northerly right of way boundary of Rogue Valley Highway North 62 degrees 32'31" West 337.36 feet to the true point of beginning; thence leaving said right of way boundary, North 27 degrees 27'29" East, 285.20 feet to a point on the Westerly boundary of that parcel described in Document No. 93-03912, Official Records of Jackson County, Oregon; thence along the Westerly boundary of said described parcel South 21 degrees 02'04" East 377.57 feet; thence along the arc of a 20.00 foot radius curve to the right (the long chord of which bears South 48 degrees 12'42" West 37.40 feet) a distance of 48.34 feet to a point on the Northerly boundary of the right of way of Rogue Valley Highway; thence along said Northerly boundary North 62 degrees 32'31" West 269.49 feet to the point of beginning.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its Department of Transportation by final judgment, Case No. 000242E2 filed March 7, 2002 in the Circuit Court of the State of Oregon for the County of Jackson, recorded June 3, 2002 as Document No. 2002-037521 in the Official Records of Jackson County, Oregon.

For Informational purposes only, the following is included:

(Map No. 372W13DC, Tax Lot 3800, Account No. 1-049236-6, Code 49-01)

10. 1010 Biddle Road, Medford, Oregon - Legal Description

Beginning at a point which bears South, 271.15 feet, and West 3060.86 feet from the Southeast corner of Donation Land Claim No. 40, Township 37 South, Range 1 West of the Willamette Meridian, Jackson County, Oregon; thence North 76°18'33" East, 110.00 feet; thence South 13°41'27" East, 260.00 feet; thence South 76°18'33" West, 110.00 feet; thence North 13°41'27" West, 260.00 feet to the point of beginning.

For Informational purposes only, the following is included:

(Map No. 371W19B, Tax Lot 402AI, Account No. 1-099155-6, Code 49-01)

11. 1600 N. Riverside Avenue, Rogue Valley Mall, Unit 2065, Medford, Oregon – Legal Description

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY MEDFORD, COUNTY OF JACKSON, STATE OF OREGON, DESCRIBED AS FOLLOWS:

Parcel 1:

Commencing at the northwest corner of Donation Land Claim No. 61 in Township 37 South, Range 2 West of the Willamette Meridian in Jackson County, Oregon; thence along the west boundary of said claim. South 0°03'25" East 503.196 feet (record South 0°03'40" East 503.19 feet); thence South

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89°55'00" East 174.791 feet (record South 89°55'15" East 174.80 feet) to a 5/8" iron pin found set at the northwest corner of that tract described in deed recorded as Document 68-04580 of the Official Records of Jackson County, Oregon, said point being on the southeasterly right-of-way line of Crater Lake Highway, and the True Point of Beginning; thence leaving said Highway line, along the south boundary of that tract described in Volume 365, page 197 of the Deed Records of Jackson County, Oregon (as the same was found to be monumented) South 89°55'00" East (record East) 844.19 feet to a found 5/8" rebar with plastic cap; thence South 89°55'00" East 214.659 feet to intersect the southwesterly right-of-way line of Interstate Highway No. 5; thence along said Highway line, South 17°02'25" East 84.497 feet to a 5/8" iron pin found set 110.00 feet southwesterly at right angles from engineer's Centerline Station 734+00; thence along said Highway line, South 13°45'25" East 519.61 feet to the northeasterly corner of that tract described in Volume 522, page 485 said Deed Records; thence along the north boundary of said tract, South 89°29'00" West 46.73 feet to intersect the west boundary of Section 19 in Township 37 South, Range 1 West of said Willamette Meridian; thence along said section boundary, South 0°23'50" East 98.69 feet (record South 97.3 feet) to the southwest corner of said tract; thence along the southerly boundary of said tract, North 89°29'00" East 70.156 feet to the southeasterly corner thereof; thence along the southwesterly right-of-way line of Interstate Highway No. 5, South 13°45'25" East 238.584 feet to the southeasterly corner of that tract described in deed recorded as Document 76-10873, said Official Records; thence along the southerly boundary of said tract, North 89°29'30" West (record North 89°30' West) 63.197 feet; thence along the easterly boundary of that tract described in Document 84-11282, said Official Records South 10°00'00" East 221.54 feet; thence South 01°50'00" West 250.00 feet; thence South 06°50'00" West 201.00 feet; thence South 01°20'00" West 250.00 feet; thence South 4°50'00" West 131.013 feet to intersect the northerly boundary of that tract described in Volume 420, page 64 said Deed Records; thence along the northerly boundary of said tract, North 89°59'42" West (record West) 44.530 feet to the west boundary of said Section 19; thence along said west boundary, South 0°23'50" East 115.332 feet to intersect the relocated northerly right-of-way line of East McAndrews Road; thence along said right-of-way line, North 89°52'00" West 85.96 feet; thence along said right-of-way line, North 83°11'59" West 90.626 feet; thence along said right-of-way line, North 89°52'00" West 111.391 feet; thence along said right-of-way line, South 88°26'20" West 271.184 feet to a point on a tangent curve concave northeasterly having a radius of 28.000 feet; thence leaving said northerly right-of-way line of East McAndrews Road, and running along the relocated northeasterly right-of-way line of North Riverside Avenue, along said curve through a central angle of 65°04'35", an arc distance of 31.802 feet to a tangent line; thence along said right-of-way line, North 26°29'05" West 600.386 feet; thence leaving said right-of-way line, North 63°30'55" East 120.000 feet; thence South 26°29'05" East 21.343 feet; thence North 71°01'12" East 12.806 feet; thence North 18°58'48" West 113.000 feet; thence North 71°01'12" East 96.000 feet; thence North 18°58'48" West 31.555 feet; thence North 41°01'12" East 58.890 feet; thence North 18°58'48" West 280.670 feet; thence North 26°16'25" East 12.784 feet; thence North 71°01'12" East 35.840 feet; thence North 18°58'48" West 198.160 feet to a point hereinafter referred to as Point 'A';

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thence South 71°01'12" West 14.250 feet; thence North 18°58'48" West 156.364 feet; thence North 83°58'48" West 410.000 feet; thence South 18°58'48" East 58.479 feet; thence North 83°58'48" West 125.854 feet to a point on a non-tangent curve concave easterly having a radius of 500.00 feet and a radial bearing of North 72°42'47" East; thence Northerly on the relocated southeasterly right-of-way line of said Crater Lake Highway, along said curve through a central angle of 27°55'34", an arc distance of 243.701 feet; thence leaving said right-of-way line, North 85°33'26" East 110.76 feet to a point on a tangent curve concave northwesterly having a radius of 60.00 feet; thence along said curve through a central angle of 53°22'57", an arc distance of 55.902 feet to a tangent line; thence North 32°10'29" East 66.168 feet; thence North 25°33'26" East 170.00 feet; thence North 57°58'40" West 150.96 feet to a point on the relocated southeasterly right-of-way line of Crater Lake Highway; thence along said Highway line, North 25°33'26" East 34.435 feet; thence leaving said Highway line, South 57°58'41" East 187.573 feet; thence South 32°01'18" West 280.969 feet; thence South 59°27'40" West 60.00 feet; thence South 83°58'48" East 180.00 feet; thence South 18°58'48" East 151.163 feet; thence South 83°58'48" East 163.892 feet; thence North 71°01'12" East 72.713 feet; thence South 18°58'48" East 13.500 feet; thence North 71°01'12" East 230.750 feet; thence North 18°58'48" West 8.000 feet; thence North 71°01'12" East 67.000 feet; thence North 18°58'48" West 168.000 feet; thence South 71°01'12" West 10.000 feet; thence North 18°58'48" West 324.845 feet; thence North 89°55'01" West 214.62 feet to a point of tangent curve concave southeasterly having a radius of 125.00 feet; thence along said curve through a central angle of 58°03'37", an arc distance of 126.668 feet to a tangent line; thence South 32°01'22" West 33.630 feet; thence North 57°58'41" West 199.806 feet to a point on the relocated southeasterly right-of-way line of said Crater Lake Highway; thence along said Highway line, North 25°33'26" East 5.213 feet to the True Point of Beginning

(Code 49-01, Account #1-038481-2, Map #372W13DD, Tax Lot #600)

(Code 49-01, Account #1-038497-7, Map #372W24AA, Tax Lot #500)

Parcel 2:

All those easements constituting rights in real property (including, without limitations, rights of ingress and egress, parking, utility and other purposes) created, defined and limited by that certain Reciprocal Easement Agreement dated September 2, 1986 and recorded June 25, 1987 in Instrument 87-13047, Official Records of Jackson County, Oregon, and also that First Amendment to Agreement recorded February 5, 1992 as Instrument 92-03182 said Official Records, as more fully described therein.