

Loan No. 197343

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Recording requested by
and when recorded return to:

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

THIS DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT (hereinafter, with all amendments thereto, being referred to as this "**Deed of Trust**"), made and entered into as of December 12, 2014, among **MURPHY TIMBER INVESTMENTS, LLC**, an Oregon limited liability company with an address at 2350 Prairie Road, Eugene, OR 97402 (the "**Grantor**" or the "**Borrower**"), **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska corporation with an address at 200 SW Market #700, Portland, OR 97201 (the "**Trustee**") and **METROPOLITAN LIFE INSURANCE COMPANY**, a New York corporation with an address at 6750 Poplar Avenue, Suite 109, Memphis, Tennessee 38138 (the "**Beneficiary**").

For purposes of Article 9 of the Uniform Commercial Code (Oregon Revised Statutes Chapter 79), this Deed of Trust constitutes a Security Agreement with the Borrower being the Debtor and the Beneficiary being the Secured Party. This Deed of Trust also constitutes a Financing Statement filed as a fixture filing pursuant to Article 9 of the Uniform Commercial Code. This Deed of Trust also constitutes a Financing Statement covering timber to be cut and as-extracted collateral pursuant to Article 9 of the Uniform Commercial Code.

WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION AND FOR THE PURPOSE OF SECURING payment and performance of the Secured Obligations (as such term is hereinafter defined) and the trust herein created, Grantor does hereby **GRANT, BARGAIN, SELL, CONVEY, AND CONFIRM** to Trustee, **IN TRUST, WITH POWER OF SALE**, for the benefit and security of Beneficiary, under and subject to the conditions hereinafter set forth, all right, title and interest in and to the property and interests described in the following Granting Clauses and does hereby grant to the Beneficiary a security interest in and a pledge of the property and interests described in the following Granting Clauses which constitute or may constitute goods, timber to be cut, as extracted collateral or personal property (all of said property and interests described in said Granting Clauses, the "**Premises**"):

(a) All right, title and interest in and to the pieces or parcels of land described on Schedule A attached hereto and incorporated herein by reference, whether held in fee or leasehold (the “**Land**”), together with all improvements, buildings, structures, fixtures of every description and appurtenances now or hereafter located thereon or therein (the “**Improvements**”);

(b) All trees and timber of every size, age, species, kind and description, now or hereafter growing, standing or lying on, or to be planted, grown, harvested from, pertaining to or located on, the Land (whether owned or leased) or on any other land not owned by Grantor in the case where Grantor owns the trees and timber thereon or has the right to harvest such trees and timber (whether or not such trees or timber constitute timber to be cut), goods, inventory and proceeds thereof, and including, without limitation all property related to nursery operations or replanting and reforestation, seedlings, nursery stock, trees, growing trees, standing timber, timber lying on the ground, timber cut and timber to be cut, severed timber, stumpage, forest products, lumber, pulpwood, and all products and by-products of any timber operations conducted or to be conducted on the Land, and all proceeds, accounts, general intangibles and payment intangibles resulting from the sale of such timber, timber to be cut and timber interests (sometimes collectively referred to herein as “**Timber**”);

(c) All farm products, crops, biomass and other organic products now or hereafter growing, standing or lying on, or to be grown, harvested from, pertaining to and located on, the Land, goods, inventory and proceeds thereof, and all products and by-products of any agricultural operations conducted or to be conducted on the Land, and all right, title and interest of Grantor in and to any credits, claims, rights or benefits arising from or related to the absorption of carbon dioxide by the trees and other organic plants growing on the Land, carbon sequestration, carbon credits, carbon financial instruments or any other benefit by any other name or description, financial or otherwise related to the control or reduction of greenhouse gases, carbon dioxide or any other form of air or atmospheric quality incentives, whether created or sponsored through legislation of any government, industry arrangements, barter, private market or otherwise, and all proceeds, accounts and general intangibles resulting from the sale of such agricultural products or the sale, issuance, trade, barter or other transactions with any such credits, claims, rights or benefits (sometimes collectively referred to herein as “**Biomass and Credits**”);

(d) All coal, oil, gas, hydrocarbons, gravel, sand, dirt, rock, phosphate, clay and other minerals and mineral rights owned by Grantor and located on, in or under the Land and extracted or to be extracted, as extracted collateral and all mineral interests, all rights to use the surface in connection with the mineral rights, mining or drilling rights, and all royalties, proceeds, accounts and general intangibles resulting from the sale of such minerals or mineral interests (sometimes collectively referred to herein as the “**Minerals**”);

(e) All easements, rights-of-way, gores of land, ways, riparian rights and rights of use or passage (whether public or private), estates, interests, benefits, powers, rights (including, without limitation, any and all lateral support, drainage, slope, sewer, water, air, mineral, oil, gas and subsurface rights), privileges, claims, franchises, licenses, profits, rents, royalties, tenements, hereditaments, reversions, remainders and appurtenances of every nature whatsoever, whether appurtenant or in gross, in any way now or hereafter belonging, relating, appertaining to or useful in the operation of all or any part of the Land, Minerals, Timber, Improvements, Biomass and

Credits, Equipment (as hereinafter defined), whether legal or equitable (all of the above, collectively referred to herein as, the “**Easements**”, and the Land, the Improvements, the Minerals, the Easements, the Timber and the Biomass and Credits are hereinafter sometimes collectively referred to as the “**Real Estate**”);

(f) All of Grantor’s rights (but not its obligations except as otherwise expressly agreed in writing by Beneficiary) under any and all agreements, leases, subleases, surface leases, licenses, written or oral, and all agreements for any manner of use or occupancy, or exploration, drilling, mining, extraction, storage, transportation, processing and handling of Minerals, and all timber sale agreements, timber cutting agreements, timber deeds, timber purchase agreements or stumpage agreements, timber harvest agreements, log or pulpwood sale agreements and other contracts and agreements pursuant to which Grantor has agreed to sell any standing or severed timber, pulpwood or other timber products from the Real Estate, whether deemed to be an easement, lease, timber deed or profit a prendre, and affecting all or any portion of the Real Estate with respect to which Grantor is the landlord or sublandlord, it being intended that this Granting Clause shall apply to the interests of Grantor as landowner, lessor, seller, assignor or otherwise in any such agreement, and including, without limitation, any and all extensions and renewals of said leases and agreements and any and all further leases or agreements, now existing or hereafter made including subleases thereunder, upon, covering or affecting all or any part of the Real Estate, together with any and all guaranties of the lessee’s, any sublessee’s, or contracting party’s performance thereunder (all such existing or future leases, licenses, subleases, agreements, surface leases, tenancies, timber purchase agreements or stumpage agreements, timber sale agreements, timber cutting agreements, timber deeds, log or pulpwood sale agreements and all other and similar agreements, contracts, instruments or arrangements as heretofore mentioned, and any use or occupancy arrangements created pursuant to Section 365(h) of Title 11 of the United States Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings or any assignment for the benefit of creditors in respect of any tenant or occupant of any portion of the Real Estate, being hereinafter collectively referred to as the “**Agreements**”) and all right, title and interest of Grantor in and to property of any tenant or other person under any such agreement or under any other arrangement entered into in connection with any such agreement, and any and all cash, security deposits, advance payments or rentals and deposits or payments of a similar nature under any such agreement or other arrangement and together with all money payable thereunder or in connection therewith (including, without limitation, any and all cancellation or termination payments);

(g) All permits, special permits, licenses, or approvals affecting the Real Estate now owned or hereafter acquired by Grantor;

(h) The immediate and continuing right to collect and receive all of the rents, income, royalties, receipts, revenues, issues and profits now due or which may become due or to which Grantor may now or shall hereafter (including during the period of redemption, if any) become entitled or may demand or claim, arising or issuing from or out of any timber contracts, leases, licenses, bills of sale or deeds, the Agreements or from or out of the Real Estate, or any part thereof, including but not limited to any and all rights and claims of any kind that Grantor may have against any such party under the Agreements or against any subtenants, occupants or licensees of the Real Estate, or against the purchaser under any timber deed, timber cutting

agreement, timber sale agreement, coal lease, oil or gas lease, mineral lease, or other agreement in any way relating to the Real Estate, (including any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings or any assignment for the benefit of creditors in respect of any tenant or occupant of any portion of the Real Estate and all claims as a creditor in connection with any of the foregoing), all such moneys, rents, rights and claims in this paragraph described being hereinafter referred to as the “**Receipts**,” subject, however, to the terms and conditions of this Deed of Trust;

(i) All right, title and interest in and to all water and water rights and royalties, thermal energy and other geothermal resources and development rights, arising from or relating to the Real Estate;

(j) All accounts, accounts receivable, general intangibles, payment intangibles, trade names, trademarks, commercial tort claims, letter of credit rights and proceeds, supporting obligations of every kind and nature, documents, contract rights, construction contracts, commercial paper, notes, drafts, acceptances, instruments, chattel paper, bonuses, actions and rights in action arising from or relating to any such property, which arise from or are related to the Real Estate, which are now owned or hereafter acquired by Grantor or the proceeds thereof, but not Grantor’s obligations thereunder, and all funds and deposit accounts and other accounts into which any funds of Grantor are now or hereafter deposited to be held by or on behalf of Beneficiary;

(k) All right, title and interest in and to all building materials, supplies and other property now or hereafter stored at or delivered to the Land or the Improvements, and all fixtures, fittings, fences, gates, bridges, drainage facilities, apparatus, machinery, equipment and all other articles of personal property of every nature whatsoever now or hereafter located in or on, or attached to, and used or intended to be used in connection with the Real Estate, or in connection with any operations conducted or intended to be conducted on or with respect to the Real Estate, including without limitation with respect to any activities relating to the growing and raising of seedlings and nursery stock, Timber harvesting and Timber management, but not including any vehicles, airplanes or moveable logging equipment (collectively, the “**Equipment**”) (all of the Equipment, so far as permitted by law, shall be deemed to be fixtures and part of the Real Estate);

(l) All right, title and interest in information, data, and files, in whatever form, and all computer software and hardware relating to the Real Estate and appurtenances thereto and owned by Grantor, including, without limitation: (i) all title records and information, appraisals, opinions with respect to value or title, reports, abstracts of title, maps, aerial photographs, mapping systems, land surveys and similar items; (ii) current forest inventory data providing summary level information by stand, species, component and diameter level and planting records showing seed source and stock type; (iii) geographic information system data relating to elevation, public land surveys, stands, property boundaries, roads, historical harvest units and years of harvest, wildlife threatened and endangered species, thinning, fertilization, and watershed data; (iv) Grantor’s road maintenance plan; (v) watershed analysis; and (vi) Grantor’s records relating to the accounting and management functions;

(m) All right, title and interest, of whatever character (whether vested or contingent and

whether now owned or hereafter acquired), in and to (1) all streets, roads, railroad rights of way, riparian and littoral rights and public places (whether open or proposed) adjoining or otherwise providing access to the Real Estate, (2) the Real Estate lying in the bed of such streets, roads, railroad rights of way and public places, and (3) all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of Real Estate adjoining or used or intended to be used in connection with all or any part of the Equipment, Real Estate or appurtenances thereto;

(n) All right, title and interest of Grantor (but not its obligations except as otherwise expressly agreed in writing by Beneficiary), whether now owned or hereafter acquired, in and to: (1) each and every policy of insurance now or hereafter in effect which insures the Real Estate, or any part thereof, (2) any and all judgments, settlements, claims, awards, insurance proceeds and other proceeds and compensation, and interest thereon, now or hereafter made or payable in connection with any casualty or other damage to all or any part of the inventory or goods owned by Grantor and set forth herein, the Equipment, the Real Estate or appurtenances thereto, or in connection with any condemnation proceedings affecting any such property or any taking under power of eminent domain (or any conveyance in lieu of or under threat of any such taking) of any such property or any rights thereto or any interest therein, including, without limitation, any and all compensation for change of grade of streets or any other injury to or decrease in the value of such property, (3) all inventory and any and all proceeds of any sales, assignments or other dispositions of any such property or any rights thereto or any interest therein with respect to the Real Estate (inventory shall mean and include, without limitation, all goods now owned or hereafter acquired and owned from time to time by Grantor which are held for sale or lease or are to be furnished under contracts of service and all goods, materials, raw materials, work in process, finished goods or materials used or consumed in the business of Grantor with respect to the Real Estate), (4) any and all proceeds of any other conversion (whether voluntary or involuntary) of any such property referenced in this paragraph into cash or any liquidated claim, (5) any and all refunds or rebates of or with respect to any insurance premiums and real estate taxes, impositions or levies, and tax credits or benefits or deposits relating thereto, with respect to such property referenced in this paragraph, (6) all contractual and other indemnities, assurances, guaranties and similar agreements, and all rights, benefits and privileges of Grantor in and to any and all contracts relating to operation, maintenance, management or security of any such property referenced in this paragraph, and (7) all investment property, relating to such property referenced in this paragraph, whether now owned or hereafter acquired, including all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts;

(o) All right, title and interest of Grantor (whether as seller, purchaser or otherwise), but not its obligations, in and to any and all agreements in the nature of options or for the sale or any other transfer of all or any part of the property described in these Granting Clauses, together with any and all down payments, earnest money deposits and other sums paid or payable or deposited in connection therewith, and all rights which Grantor now has or may hereafter acquire to be indemnified and/or held harmless from any liability, loss, damage, cost or expense (including, without limitation, attorneys' fees and disbursements) relating to said property or any part thereof;

(p) All rights, hereditaments and appurtenances pertaining to the foregoing; and all other interests of every kind and character that Grantor now has or at any time hereafter acquires in and

to the Equipment or the Real Estate described herein and all property that is used or useful in connection therewith, including rights of ingress and egress and all reversionary rights or interests of Grantor with respect to such property;

(q) And including all property and rights of the type and nature set forth above hereafter acquired by Grantor and relating to the Real Estate, and any and all further or greater estate, right, title, interest, claim and demand of Grantor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to any of the property described in the foregoing paragraphs or any rights or interests appurtenant thereto; and

(r) All proceeds, products, extensions, additions, improvements, betterments, renewals, reversions, substitutions, replacements, accessions, accretions and relictions of and to all or any part of the Real Estate or Equipment and the other property referenced in the foregoing Granting Clauses or encumbered by this Deed of Trust, including, without limitation, all proceeds arising from the sale or other disposition thereof.

If the estate of Grantor in any of the above-described property is a leasehold estate (the "**Leasehold Estate**"), this conveyance shall include and the lien and security interest created hereby shall encumber all additional title, estate, interest, and other rights that may hereafter be acquired by Grantor in the property demised under the lease creating the Leasehold Estate.

SUBJECT, HOWEVER, to the exceptions described in the Loan Agreement as Permitted Encumbrances.

That portion of the Premises which constitutes real property or fixtures is sometimes referred to as the "**Real Property Collateral**" and all other Premises is sometimes referred to as the "**UCC Collateral**" or the "**Code Collateral**".

TO HAVE AND TO HOLD the Real Property Collateral, together with the rights, privileges and appurtenances thereto belonging, unto Trustee and her heirs, representative, successors and assigns in trust forever, together with power of sale, and Grantor hereby covenants that Grantor is lawfully seized and possessed of the Real Property Collateral and has good right to convey and mortgage the same, that the same are unencumbered, except as aforesaid, and that Grantor does bind itself and its successors and assigns to warrant and forever defend the Real Property Collateral unto Beneficiary and its successors and assigns, against the claim or claims of all persons, claiming or to claim the same or any part thereof or interest therein, together with the rights, privileges and appurtenances thereto belonging, unto Beneficiary and its successors and assigns, forever, and Grantor hereby binds itself and its successors and assigns to warrant and forever defend the Code Collateral unto Beneficiary, its successors and assigns, against the claim or claims of all persons claiming or to claim the same or any part thereof or any interest therein.

THIS DEED OF TRUST is given to secure the Obligations and the keeping, performance and observance of, and compliance with, all provisions and agreements required to be kept, performed, observed and complied with by or on behalf of Grantor under the Loan Agreement, this Deed of Trust and under any of the other Loan Documents, and also to secure repayment, reimbursement and indemnification to Beneficiary of all future advances, fees,

liabilities, costs and expenses, including court costs and attorneys' fees, together with interest thereon as provided in the Loan Agreement, this Deed of Trust and in the other Loan Documents, made, paid, suffered or incurred by or for the account of Beneficiary pursuant to the Loan Agreement, this Deed of Trust and/or the other Loan Documents.

Grantor represents and warrants to, and covenants and agrees with, Trustee and Beneficiary as follows:

1. LOAN AGREEMENT; NOTE.

This Deed of Trust is being executed pursuant to the terms of that certain Loan Agreement of even date herewith, between Grantor and Beneficiary (as amended, restated, extended, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). Any capitalized terms used in this Deed of Trust and not otherwise defined shall have the meanings assigned in the Loan Agreement. Pursuant to the Loan Agreement, the undersigned Grantor is or hereafter shall be justly indebted in the original principal amount of **FORTY MILLION FIVE HUNDRED THOUSAND AND 00/100 US DOLLARS (US\$40,500,000.00)** (the "**Loan**"), as evidenced by a certain promissory note from the Borrower to the order of Beneficiary, in such aggregate amount and of even date herewith, bearing interest as set forth therein and having a maturity date of January 15, 2030 and all successive extensions and renewals of the Obligations represented thereby (said note, as presently constituted and as it may hereafter be amended, extended, renewed or consolidated, together with any and all notes that may hereafter be given in substitution therefor, being hereinafter referred to as the "**Note**" or the "**Notes**"). The Notes, this Deed of Trust, the other documents evidencing or securing the Notes and the Loan Agreement and such other documents executed and delivered by or on behalf of Grantor in connection with the Loan are herein referred to collectively as the "**Loan Documents**."

1.1 Obligations. This Deed of Trust is made for the following uses and purposes, and is given to secure and shall secure the prompt payment and performance of the following, which Grantor hereby agrees to pay and perform (hereinafter sometimes referred to collectively as the "**Obligations**" or "**Secured Obligations**"):

1.1.1 Payment and performance of all of the indebtedness evidenced by the Notes and all other obligations and liabilities under and pursuant to the Notes, including without limitation, payment of the aggregate principal indebtedness evidenced by the Notes, together with interest thereon at the rate or rates specified in the Notes, including without limitation interest at the Default Rate, as applicable, in accordance with the terms of the Notes, and all premiums payable thereon and all other indebtedness evidenced by the Notes, all of which indebtedness is payable in lawful money of the United States of America;

1.1.2 Any and all sums now or hereafter becoming due and payable by Grantor to Beneficiary or Trustee under the terms of this Deed of Trust, including but not limited to advancements made by Beneficiary pursuant to the terms and conditions of this Deed of Trust with interest as herein provided and any debt or obligation arising as a result of the breach of any warranty or representation set forth in this Deed of Trust;

1.1.3 Performance and discharge of each and every obligation, promise and agreement of Grantor contained in this Deed of Trust, the Notes, the Loan Agreement and the other Loan Documents;

1.1.4 The Obligations as defined in the Loan Agreement;

1.1.5 All renewals and extensions of any or all of the obligations of Grantor described in the foregoing subsections, whether or not any renewal or extension agreement is executed in connection therewith; and

1.1.6 The payment of all future and additional indebtedness, direct or indirect, created after the date of this Deed of Trust, pursuant to the terms hereof or of the Loan Documents, which may be owing by Grantor (or by any of the persons herein designated under the term “**Grantor**”) to any holder of any of the Notes at any time prior to the payment in full with interest of the Obligations or the foreclosure of this Deed of Trust therefor (the event occurring first to be controlling); such additional indebtedness to be secured hereby regardless of whether it shall be predicated upon future loans or advances hereafter made by the holder(s) of the Notes, or obligations hereafter acquired by such holders through assignment or subrogation or otherwise, or shall represent indirect obligations (created after the date of this Deed of Trust) based upon any endorsements, guaranties or suretyship; and it is agreed that this Deed of Trust shall stand as security for all such future and additional indebtedness whether it be incurred for any business purpose that was related or wholly unrelated to the purpose of the original loan, or for any other purpose related or unrelated, or similar or dissimilar, to the purpose of the original loan.

1.2 Future Advances and Other Debts. It is expressly understood that this Deed of Trust is intended to and does secure, not only the indebtedness herein specifically mentioned, but also future advances and any and all other obligations of Borrower to Beneficiary, direct or contingent (including but not limited to obligations incurred as endorser, guarantor or surety), however evidenced or denominated, pursuant to the terms hereof or the Loan Documents, together with repayment obligations and recoupment of expenses incurred by Beneficiary, due and payable under any instrument evidencing or securing Obligations of Borrower to Beneficiary, and interest thereon as provided in the Notes presently or in the future secured hereby or as otherwise provided in the instrument pursuant to which any such obligation is evidenced (all of which future advances and other indebtedness shall be deemed to be included in the definition of “Obligations” and “Secured Obligations” hereunder).

2. GRANTOR’S REPRESENTATIONS, COVENANTS AND WARRANTIES.

In order to induce Beneficiary to extend credit to Grantor, Grantor represents, covenants and warrants to Trustee and Beneficiary that:

2.1 Valid Title, etc. Grantor has good and marketable title and is lawfully seized of an indefeasible estate in fee simple in and to the Real Property Collateral set forth on Schedule A and the other property set forth in the Granting Clauses; and good and marketable title to the UCC Collateral and other personal property in which a security interest is granted under the Loan Documents; Grantor further has a good right to sell, grant a security interest in, and assign, the Premises; the Premises is free and clear of any deeds of trust, mortgages, liens, encumbrances, assignments or security interests other than Permitted Encumbrances; and the Grantor will forever warrant and defend the title to the Premises unto the Trustee and the Beneficiary against the claims of all persons whomsoever, except those claiming under Permitted Encumbrances. This Deed of Trust constitutes a valid and subsisting first priority Deed of Trust and lien on the Premises and Grantor shall take all steps necessary to preserve and protect the validity and

priority of the first lien on, security interests in, and assignments of, the Premises created hereby. The Grantor shall execute, acknowledge and deliver such additional instruments as the Beneficiary may deem necessary in order to preserve, protect, continue, extend or maintain the liens, security interests and assignments created hereby as first liens on, security interests in, and assignments of, the Premises, except as otherwise permitted under the terms of this Deed of Trust. If any such lien or security interest is asserted against the Premises, Grantor will promptly, at its own cost and expense, give Beneficiary written notice of such lien or security interest and pay the underlying claim in full or take such other action so as to cause same to be released, such notice to be given within fifteen (15) days after, and such release to be effected within thirty (30) days after, the date such lien or security interest is so asserted. Such notice shall specify who is asserting such lien or security interest and shall detail the origin and nature of the underlying claim giving rise to such asserted lien or security interest. Without limiting the generality of the foregoing, Grantor will pay in full all sums owing or claimed for labor, materials, supplies, personal property (whether or not forming a fixture hereunder), and services of every kind and character used, furnished or installed in or on the Premises.

2.2 Operation for Permitted Use. Grantor will operate the Premises only as a commercial timberland and will not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Premises in any manner which violates any provisions governing the use, operation, occupancy or maintenance of the Premises set forth in this Deed of Trust, the Loan Agreement, or any of the other Loan Documents.

2.3 Maintenance of Rights of Way, Easements and Licenses. Grantor will maintain, preserve and renew all rights of way, easements, grants, privileges, licenses and franchises reasonably necessary for the use of the Premises from time to time. Grantor will not, without the prior written consent of Beneficiary grant, initiate, join in or consent to any private restrictive covenant, easement, or other public or private restriction as to the use of the Premises, or any condominium declaration, plat or other document having the effect of subjecting the Premises to the condominium or cooperative form of ownership. Grantor shall, however, comply with all easements, servitudes and restrictive covenants which may at any time affect the Premises, zoning ordinances and other public or private restrictions relating to the use of the Premises.

3. COVENANTS AND AGREEMENTS OF GRANTOR.

The Grantor covenants and agrees that, until the Obligations are paid in full and this Deed of Trust is satisfied in writing by the Beneficiary:

3.1 Payment of Taxes and Other Assessments. The Grantor will pay before delinquent all real estate taxes and assessments assessed or levied on the Premises and all severance, harvesting or any other governmental charges or impositions, and all interest, penalties and costs associated therewith, general and special, ordinary and extraordinary, foreseen or unforeseen, of any kind or nature whatsoever that at any time may be assessed, levied, imposed or become a lien upon the Premises or any part thereof. Grantor will fulfill all of its obligations in connection with the payment of such taxes and other assessments as more fully set forth in the Loan Agreement.

3.2 Insurance.

3.2.1 The Grantor shall keep or cause to be kept insurance with respect to the Premises in accordance with the Loan Agreement.

3.2.2 Notice Under ORS 746.201 — WARNING.

Unless Borrower provides Beneficiary with evidence of insurance coverage as required by this Trust Deed, Beneficiary may purchase insurance at Borrower's expense to protect Beneficiary's interest. If the Premises is damaged, the coverage purchased by Beneficiary may not pay any claim made by Borrower or any claim made against Borrower. Borrower may later cancel the coverage obtained by Beneficiary by providing evidence that it has provided the insurance coverage required by this Trust Deed.

Borrower is responsible for the cost of any insurance obtained by Beneficiary. The cost of that insurance may be added to the Obligations secured by this Trust Deed. If the cost is added the Secondary Rate will apply to the added amount. The effective date of coverage may be the date Borrower's prior coverage lapsed or the date Borrower failed to provide proof of coverage.

The coverage purchased by Beneficiary may be considerably more expensive than insurance Borrower may be able to obtain on its own and may not satisfy the need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

3.3 Compliance with Law. The Grantor shall comply or cause compliance with all applicable laws, ordinances, regulations, covenants, conditions and restrictions affecting the Premises, and shall obtain any and all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the Premises or the conduct of its business, and Grantor shall not suffer nor permit any act to be done in or upon the Premises in violation thereof.

3.4 Waste, Demolition, Alteration or Replacement and Preservation and Use of Collateral. The Grantor shall cause the Premises and every part thereof to be maintained, preserved and kept in a manner consistent with the permitted use and in compliance with the terms of the Loan Agreement, normal wear and tear excepted (subject to damage by casualties) shall not commit or permit waste thereon, and shall from time to time make all necessary and proper repairs, renewals, additions and restorations thereto so that the value and efficient use thereof shall be fully preserved and maintained.

3.5 Protection of Security. Beneficiary may appear in and defend any action or proceeding purporting to affect the security hereof and may bring any action or proceeding, in its own name or in the name of and on behalf of Grantor, which Beneficiary shall decide should be brought to protect its interests in the Premises, including, without limitation, any material title defect or claim, and Grantor shall pay all reasonable costs and expenses, including reasonable costs of evidence of title and attorneys' fees incurred by Beneficiary in connection with any such actions or proceedings.

3.6 Timber Management and Harvest Provisions. Grantor shall comply or cause compliance with all of the covenants and restrictions regarding the management and harvesting of Timber and the management, extraction, processing and handling of coal, oil, gas or other minerals located or stored on the Premises in accordance with the terms and conditions of the Loan Agreement.

3.7 Assignment of Receipts and Agreements.

3.7.1 Not in derogation but in furtherance of the lien and security interest granted in the Agreements and Receipts in the Granting Clauses hereof, Grantor does hereby absolutely and unconditionally assign to Beneficiary all of its right, title and interest in all Agreements and Receipts and all proceeds from the sale, cancellation, surrender or other disposition of the Agreements, it being intended by Grantor that this assignment constitutes a present, absolute, direct and currently effective assignment and not an assignment for additional security only. Such assignment to Beneficiary shall not be construed to bind Beneficiary to the performance of any of the covenants, conditions or provisions contained in any such Agreement or otherwise to impose any obligation upon Beneficiary. Nevertheless, subject to the terms of this Section, Beneficiary grants to Grantor a revocable license to collect the Receipts. Upon the occurrence of an Event of Default, the license granted to Grantor herein shall be automatically revoked and Beneficiary shall immediately be entitled to receive all Receipts and to exercise or enforce, or seek to exercise or enforce, or avail itself of, any and all of the rights, powers, privileges, authorizations or benefits assigned and transferred to Beneficiary hereunder, whether or not Beneficiary enters upon or takes control of the Premises. Beneficiary is hereby granted and assigned by Grantor the right, at Beneficiary's option, upon the revocation of the license granted herein to enter upon the Premises in person, by agent or by court-appointed receiver to collect the Receipts. Any Receipts collected after the revocation of the license herein granted may be applied toward payment of the Obligations in such priority and proportion as Beneficiary, acting reasonably, shall deem proper. It is further the intent of Grantor and Beneficiary that the Receipts hereby absolutely assigned are no longer, during the term of this Deed of Trust, property of Grantor or property of any estate of Grantor as defined in Section 541 of the Bankruptcy Code. The term "Receipts" as used herein shall mean the gross receipts without deduction or offsets of any kind.

3.7.2 Notwithstanding such expressed intent of the parties, Grantor hereby pledges and grants Beneficiary a security interest in the Agreements and Receipts, and it is agreed and understood that the granting and recording of this Deed of Trust shall be sufficient action by Beneficiary to perfect and/or enforce such lien on or security interest in or pledge of the Agreements and Receipts (to the extent such lien, security interest or pledge shall not have been theretofore perfected or enforced under applicable law), including, without limitation, the right to: (1) enforce the perfected lien on or security interest in or pledge of the Receipts, (2) take possession thereof and (3) entitle Beneficiary to immediate and direct payment of the Receipts, for application as provided in the Loan Documents or this Deed of Trust, all without the necessity of any further action by Beneficiary, including, without limitation, any action to obtain possession of the Premises or any portion thereof.

3.7.3 With respect to any Agreement (other than as provided in the Loan Agreement)
(a) Grantor shall not, without the prior written consent of Beneficiary (i) enter into, alter, amend,

change or waive the terms of any such Agreement or cancel, terminate, abridge, release a party thereto or otherwise modify the terms of any such Agreement, whether by written document, course of dealing or otherwise, (ii) consent to any assignment of or subletting under any such Agreement, (iii) cancel, terminate, abridge or otherwise modify any guaranty of any such Agreement or the terms thereof, or (iv) collect or accept prepayments of installments of Receipts more than thirty (30) days in advance of the due date thereof, (b) Grantor shall enforce at its cost and expense the obligations of the other parties under the Agreements and the obligations of any guarantor under any guarantee, in the ordinary course of Grantor's business thereof; (c) Grantor shall not, without the prior written consent of Beneficiary, further assign the whole or any part of any such Agreement or the Receipts therefrom; and (d) Grantor shall promptly send to Beneficiary copies of all notices of default which Grantor shall send or receive thereunder. With respect to any Agreements, Grantor shall perform all obligations of Grantor thereunder, and shall, upon request, furnish Beneficiary with executed copies of all Agreements, and shall not perform any act or execute any other instrument that might prevent Beneficiary from enjoying and exercising any of its rights and privileges evidenced hereby. Grantor shall from time to time upon request of Beneficiary, deliver to Beneficiary a list of all Agreements, with terms, rent, Receipts, payments, information on all parties and other information required by Beneficiary which shall be certified as true and correct by Grantor.

3.7.4 Beneficiary shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Agreements or contracts by reason of this Deed of Trust. Grantor hereby indemnifies and holds Beneficiary harmless from and against any all liability, loss, cost, damage, or expense which Beneficiary may incur by reason of this assignment of Receipts and Agreements, or for any action taken by Beneficiary hereunder, or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Beneficiary arising out of the Agreements or with respect to the Receipts, except to the extent that such claims or causes of action arise out of the gross negligence or willful misconduct of Beneficiary or involve Beneficiary's failure to account for Receipts actually received by Beneficiary. In the event Beneficiary incurs any such liability, loss, cost, damage, or expense, the amount thereof, together with all reasonable out-of-pocket attorneys' fees will be payable by Grantor immediately upon demand and will be deemed a part of the Obligations secured hereby.

3.7.5 Beneficiary's acceptance of this assignment shall not, prior to entry upon and taking possession of the Premises by Beneficiary, be deemed to constitute Beneficiary a "mortgagee in possession," nor obligate Beneficiary to appear in or defend any proceeding relating to any of the Agreements or to the Premises, take any action hereunder, expend any money, incur any expenses, or perform any obligation or liability under the Agreements, or assume any obligation for any deposits delivered to Grantor by any party to an Agreement and not delivered to Beneficiary. Beneficiary shall not be liable for any injury or damage to person or property in or about the Premises. This Section 3.7 shall not place responsibility upon Beneficiary for control, care, management or payment of taxes with respect to any property which is the subject of the Agreements or make Beneficiary responsible or liable for any negligence in the management, operation, or control of said property resulting in any loss or damage.

3.7.6 Grantor hereby irrevocably authorizes and directs the parties under the Agreements to pay all Receipts to Beneficiary upon written demand by Beneficiary, without further consent of

Grantor and regardless of whether Beneficiary has taken possession of any other portion of the Premises, and the parties to the Agreements are hereby authorized by Grantor to and may rely upon any written statement delivered by Beneficiary to them. Grantor agrees that any party following such instructions from Beneficiary shall not be liable to Grantor or any person claiming under Grantor, for making any payment or rendering any performance to Beneficiary. No party shall have any obligation or right to inquire whether any default has actually occurred or is then existing. **BY ITS EXECUTION OF THIS DEED OF TRUST, GRANTOR AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS ANY PARTY FROM ANY LOSS, DAMAGE OR CLAIM ARISING FROM SUCH PARTY MAKING ANY PAYMENT OR TAKING ANY ACTION IN RELIANCE UPON THE TERMS HEREOF.** Beneficiary agrees that it shall not exercise its rights under this Section 3.7.6 except after the occurrence of a Default Condition or an Event of Default (each as defined below).

3.7.7 The occurrence of a material default by Grantor under any Material Contract or other material Agreement (a “**Default Condition**”) which continues for thirty (30) days after such occurrence, or such shorter period as such default may be required to be cured under the Agreement involved, shall, in addition to those matters set forth in Section 4.1 below, constitute an Event of Default hereunder. Upon the occurrence of any Event of Default, Beneficiary shall have the right at its option to enforce and to exercise any or all of its rights hereunder or otherwise, whether or not Beneficiary has possession of the Premises, and without notice to Grantor, and shall have the immediate and continuing right to cause Grantor to make and deliver, or to make and deliver on behalf of Grantor, any and all timber deeds releases, bills of sale or other documents required thereunder, to collect and receive all sums which may become due to Grantor or to which Grantor is now or shall hereafter become entitled or may demand or claim, arising from or out of any such Agreements, to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the Agreements and to do any and all other things whatsoever which Grantor is, or may become, entitled to do under any Agreements in order to realize fully the rights, entitlements and benefits of Grantor thereunder, including without limitation, the right and authority to (i) demand, sue for, receive, collect all amounts that may be or become payable to Grantor under the Agreements; (ii) exercise and enforce by suit or otherwise compliance with and any remedies for non-compliance, with respect to other parties to the Agreements for breaches of the terms and conditions of the Agreements; (iii) compromise or give acquittance for amounts due under the Agreements; (iv) take any action or actions or institute, appear in and defend any proceedings which Beneficiary may deem to be necessary or advisable in connection with the Agreements; (v) delegate any and all rights and powers given to Beneficiary by this Deed of Trust; and (vi) use such measures, legal or equitable, and take such actions, as in its sole discretion, may be necessary to perform the obligations of Grantor under the Agreements or carry out and effectuate the provisions of this Deed of Trust. All such actions shall be taken at the expense of Grantor, and Grantor agrees to reimburse Beneficiary on demand for all amounts expended, including legal and professional fees, together with interest thereon from the date of expenditure at the Default Rate stated in the Note, until paid, which amounts shall be secured hereby. Further, Beneficiary shall have full power and authority, and Grantor does hereby constitute Beneficiary as Grantor’s true and lawful attorney-in-fact, irrevocably, with full power (in the name of Grantor, or otherwise), coupled with an interest, whether or not Beneficiary has taken possession of the property which is the subject of the Agreements, to take any or all of the above actions.

3.7.8 Upon Beneficiary's request, from time to time, Grantor shall provide in writing to Beneficiary details as to the status of the Agreements and the compliance by the parties thereto with their respective obligations thereunder, together with copies of any default notices sent or received by Grantor thereunder.

3.8 Transfer or Further Encumbrance of the Collateral.

3.8.1 Grantor shall not, without the prior written consent of Beneficiary, or in accordance with the Loan Agreement, sell, convey, alienate, mortgage, encumber, pledge or otherwise transfer the Premises or any part thereof, or permit or suffer the Premises or any part thereof to be sold, conveyed, alienated, mortgaged, encumbered, pledged or otherwise transferred. A sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Premises within the meaning of this Section and as set forth in the Loan Agreement shall be deemed to include (i) an installment sales agreement wherein Grantor agrees to sell the Premises or any part thereof for a price to be paid in installments, (ii) an agreement by Grantor leasing all or a substantial part of the Premises or a sale, assignment or other transfer of, or the grant of a security interest in, Grantor's right, title and interest in and to any Agreements or any Receipts, or (iii) the voluntary or involuntary sale, conveyance, encumbrance, pledge, hypothecation, dilution or transfer of any direct or indirect ownership or beneficial interest in Grantor, or a change in control of Grantor, which is not permitted under the Loan Agreement.

3.8.2 Beneficiary shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Secured Obligations immediately due and payable upon Grantor's default under Section 3.8.1. This provision shall apply to every default under Section 3.8.1, regardless of whether voluntary or not. Any sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Premises made in contravention of this Section shall constitute an Event of Default, shall at the option of Beneficiary be null and void and of no force and effect and, without in any way curing or otherwise affecting said Event of Default, any purchaser, transferee or future ground lessee of a substantial portion of the Premises pledged and assigned herein shall be deemed to have assumed and agreed to pay the Secured Obligations and to have assumed and agreed to be bound by and to keep, observe, perform and comply with all covenants, agreements, conditions and provisions of this Deed of Trust (including, without limitation, the terms of this Section) unless Beneficiary specifically agrees in writing to the contrary (it being understood and agreed that Beneficiary may, without notice to Grantor, deal with any such assignee or successor in interest with reference to this Deed of Trust and to the Obligations in the same manner as with Grantor without in any way vitiating or discharging Grantor's liability hereunder or with respect to the Obligations and without affecting any default created hereunder by such ownership change, including, without limitation, all of Beneficiary's rights and remedies arising from such default). No sale of the Premises, no forbearance on the part of Beneficiary, no extension of the time for the payment of the Obligations, and no assumption by any person or entity of all or any of the Obligations shall operate to release or affect the original liability of Grantor hereunder.

3.9 Inspection. Grantor agrees that Beneficiary and/or its agents and independent contractors, shall have the right to the extent permitted hereunder to enter the Premises at reasonable times and intervals, to inspect and test the Premises, for the purpose of determining whether Grantor is in compliance with the provisions of this Deed of Trust and the other Loan Documents.

3.10 Security Agreement, Financing Statements and Fixture Filing.

3.10.1 This Deed of Trust is both a real property Deed of Trust and a “security agreement” within the meaning of the Uniform Commercial Code in effect in the State in which the Land is located (the “Code”). The Premises includes both real and personal property, including timber to be cut, as-extracted collateral and goods, including goods which are or are to become fixtures, and all other rights and interests, whether tangible or intangible in nature, of Grantor in the Premises. Grantor, by executing and delivering this Deed of Trust, grants to Beneficiary, as security for the Obligations, a security interest in and lien upon the Code Collateral and in all other Premises to the full extent that the Code Collateral and such other Premises may be subject to the Code, and Beneficiary, by accepting this Deed of Trust, agrees to and enters into this security agreement.

3.10.2 The following covenants are made in connection with the Code Collateral:

(a) Grantor shall prevent any Code Collateral from being or becoming an accession to any property not subject to security interests created by this Deed of Trust.

(b) From time to time hereafter at the request of Beneficiary, Grantor shall deliver to Beneficiary up-to-date schedules of any items of Code Collateral.

(c) Grantor shall not change its name, its mailing address, its state of organization, its form of organization, its state-issued organizational identification number or the location of its chief executive office without giving at least thirty (30) days prior written notice to Beneficiary.

(d) If any Code Collateral is at any time in the possession of a bailee, Grantor shall promptly notify Beneficiary thereof and, if requested by Beneficiary, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to Beneficiary, that the bailee holds such Code Collateral for the benefit of Beneficiary and shall act upon the instructions of Beneficiary, without the further consent of Grantor.

3.10.3 Grantor hereby irrevocably authorizes Beneficiary at any time and from time to time to file in any jurisdiction any initial financing statements and amendments thereto that: (a) indicate the Code Collateral as being all assets of Grantor or words of similar effect, regardless of whether any particular asset comprised in the Code Collateral falls within the scope of Article 9 of the Code, and (b) contain any other information required by Part 5 or Subchapter E of Article 9 of the Code for the sufficiency or filing office acceptance of any financing statement or amendment, including, without limitation, (i) whether Grantor is an organization, the type of organization and any organization identification number issued to Grantor and, (ii) in the case of a financing statement filed as a fixture filing or indicating Code Collateral that is as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Code Collateral relates and, if Grantor does not have an interest of record in the real property, provide the name of the record owner. Grantor agrees to furnish any such information to Beneficiary promptly upon request. Grantor also ratifies its authorization for Beneficiary to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof. Grantor shall promptly execute, file and record, at its sole cost and expense, such Code documents as are necessary to maintain the validity and priority of

the lien of Beneficiary upon and security interest in the Code Collateral. In addition, Grantor shall promptly execute and deliver to Beneficiary at the request of Beneficiary any additional Code documents or continuation statements that require such execution, and any further assurances as Beneficiary shall deem necessary to ensure the attachment, perfection and first priority of, and the ability of Beneficiary to enforce, Beneficiary's security interest in any and all of the Code Collateral, and Grantor shall pay all expenses and fees in connection with the filing and recording thereof. Upon the failure of Grantor to execute and so deliver any of the foregoing, Beneficiary may execute, file or record them on behalf of Grantor and Grantor hereby grants to Beneficiary an irrevocable power of attorney, coupled with an interest, to file with the appropriate public office on its behalf any financing or other statements signed only by Beneficiary, as secured party, in connection with the Code Collateral covered by this Deed of Trust.

3.10.4 For the avoidance of doubt it is expressly understood and agreed that any terms included in the description of Code Collateral shall refer to any definitions thereof in the Code, as the same may be revised from time to time, it being the intention of the parties hereto that the description of Code Collateral set forth herein be construed to include the broadest possible range of property and assets.

3.11 Personal Property. Except as permitted by the Loan Agreement and the other Loan Documents, that portion of the Premises consisting of personal property and equipment, shall be owned by Grantor and shall not be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of such property is held by any person or entity other than Grantor nor shall Grantor create or suffer to be created any security interest, other than a Permitted Lien, covering any such property as it may from time to time be replaced, other than the security interest created herein.

3.12 Subrogation. To the extent permitted by law and the provisions of the Loan Agreement, Beneficiary shall be subrogated, notwithstanding their release of record, to any mechanic's or vendor's lien or liens, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities, and charges of all kinds heretofore or hereafter existing on the Real Estate to the extent that the same are paid or discharged by Grantor, or by Beneficiary, whether or not from the proceeds of the Notes; provided, however, this Section shall not be deemed or construed to obligate Beneficiary to pay or discharge the same.

3.13 Condemnation. Immediately upon Grantor's obtaining knowledge of the institution of any proceeding for the condemnation of, or for the exercise of the right of eminent domain with respect to, the Premises, or any part thereof, Grantor shall notify Beneficiary of such fact. Grantor shall then file or defend its claim thereunder and prosecute and/or negotiate same with due diligence to its final disposition or settlement, subject to the reasonable review and approval of the actions of Grantor in connection with such proceeding, and shall pay or cause to be paid over to Beneficiary for disposition pursuant to the terms of this Deed of Trust any awards or settlements. Grantor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in and to control same and to be represented therein by counsel of its own choice, and Grantor will deliver, or cause to be delivered, to Beneficiary such instruments as may be requested by Beneficiary from time to time to permit such participation. In addition to any remedy or result set forth in the Loan Agreement, if all or any portion of the Premises is taken or

diminished in value, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Grantor by virtue of its interest in the Premises shall be, and by these presents is, assigned, transferred and set over unto Beneficiary subject to the lien and security interest of this Deed of Trust. Any award paid to Grantor shall be received by Grantor in trust of the benefit or Beneficiary and shall be immediately paid over to Beneficiary. Any such award received by Beneficiary may, at the Beneficiary's election, but subject to the provisions of the Loan Agreement, be used in any one or more of the following ways: (a) apply the same in the manner set forth in the Notes and the Loan Agreement, it being understood that any condemnation shall be treated in the same manner as a partial release under Section 4.8 of the Loan Agreement, so that any award, as well as additional amounts, may be required to be used to prepay the Loan, which prepayments shall be subject to the prepayment premium provisions of the Notes; (b) use the same or any part thereof to perform or discharge any of the Obligations; (c) use the same or any part thereof to restore, repair or replace the Premises to a condition satisfactory to the Beneficiary (with the disbursement of such funds being made in accordance with the procedures approved by Beneficiary); or (d) release the same to Grantor. Subject to the foregoing, Beneficiary is empowered to collect and receive the proceeds of any condemnation or eminent domain award or settlement; Grantor hereby irrevocably appoints Beneficiary as Grantor's attorney-in-fact (coupled with an interest) to collect and receive such proceeds. Beneficiary shall not be obligated to collect, and shall not be liable for failure to collect, any such proceeds.

3.14 Environmental Covenants. In the event Grantor shall fail to provide to Beneficiary any environmental assessment, audit or update or shall fail to remove or remediate any toxic or hazardous substances as required under the Loan Documents, Grantor grants to Beneficiary and its employees and agents an irrevocable and non-exclusive license subject to the rights of any party to an Agreement to enter the Premises to conduct testing and to remove or remediate any such toxic or hazardous substances and the costs of such testing and removal shall immediately be due and payable by the Grantor upon demand by Beneficiary together with interest at the Default Rate and shall be secured by this Deed of Trust. Grantor covenants and agrees that it shall comply with all terms and conditions of the Loan Documents relating to environmental matters, including, without limitation, all Environmental Protection Laws which are applicable to the Premises except as expressly provided in the Loan Documents, and shall not permit the Premises to be used for a mine, landfill, dump or other disposal facility and shall not permit any underground storage tanks of any kind or character on the Premises and shall not permit the presence on the Premises of any hazardous substances in violation of any Environmental Protection Law.

3.15 HOLD HARMLESS. GRANTOR WILL DEFEND, AT ITS OWN COST AND EXPENSE, AND HOLD BENEFICIARY HARMLESS FROM, ANY ACTION, PROCEEDING OR CLAIM AFFECTING BENEFICIARY, THE PREMISES OR THE LOAN DOCUMENTS, OR RESULTING FROM OR ARISING OUT OF THE FAILURE OF GRANTOR TO PERFORM OR DISCHARGE THE OBLIGATIONS OR OTHERWISE TO COMPLY WITH THE PROVISIONS OF THE LOAN DOCUMENTS, INCLUDING ANY ACTIONS TAKEN BY BENEFICIARY UNDER SECTION 4.3 BELOW NOTWITHSTANDING THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE OF BENEFICIARY, AND ALL COSTS AND EXPENSES INCURRED BY BENEFICIARY IN PROTECTING ITS INTERESTS HEREUNDER (INCLUDING ALL COURT COSTS AND ATTORNEYS' FEES) SHALL BE

BORNE BY GRANTOR, PROVIDED THAT GRANTOR SHALL HAVE NO OBLIGATION TO DEFEND OR INDEMNIFY BENEFICIARY WITH RESPECT TO THE CONSEQUENCES OF BENEFICIARY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

4. DEFAULT AND REMEDIES.

4.1 Events of Default. The term "Event of Default," as used in this Deed of Trust, shall mean the occurrence or happening, at any time and from time to time, of an "Event of Default" under the Loan Agreement, or any of the other Loan Documents, or any one or more of the following:

4.1.1 (i) Failure to make payment of any scheduled installment of interest or principal under the Notes on or before the date which is four (4) days after the due date, (ii) failure to make payment of partial prepayment of principal under the Notes and any premium thereon on or before the date due, (iii) failure to make payment of the entire indebtedness under the Notes and any premium thereon on or before the applicable maturity or due date, or (iv) failure or neglect by Grantor to pay, perform, keep or observe any of the other Obligations expressly set forth in Section 7.1 of the Loan Agreement;

4.1.2 If Grantor shall cause or permit any default in the performance of or compliance with the Section hereof entitled "Transfer or Further Encumbrance of the Collateral" or the Section of the Loan Agreement entitled "Ownership of Premises and Borrower";

4.1.3 A default or event of default (as defined therein) or commencement of a foreclosure shall exist or occur under any other mortgage, deed of trust or other instrument encumbering all or any portion of the Premises (whether superior or junior to this Deed of Trust and the lien hereof), in favor of a party other than Beneficiary, regardless of whether or not the creation of such mortgage, deed of trust or other encumbrance has been previously consented to by Beneficiary (without hereby implying Beneficiary's consent to the existence, placing, creating or permitting of any such lien or security interest);

4.1.4 Without the prior written consent of Beneficiary, Grantor grants any easement or dedication, files any plat, condominium declaration, or restriction, or otherwise encumbers the Premises, unless such action is expressly permitted by the Loan Agreement or consented to in writing by Beneficiary;

4.1.5 The default or failure of Grantor to pay or perform any other obligation or liability hereunder beyond any applicable cure period;

4.1.6 The dissolution, liquidation or termination of Grantor, except as permitted under the Loan Agreement, or Grantor's failure to maintain good standing in the State of Oregon;

4.1.7 Any default by the Grantor shall occur, or any foreclosure or other action shall be commenced under or with respect to any Additional Deed of Trust.

4.2 Rights and Remedies of the Beneficiary Upon Default.

4.2.1 Upon the occurrence and during the continuance of an Event of Default, Beneficiary may, at its option and without demand upon or notice to Grantor, declare all or any part of the

Obligations to be immediately due and payable, whereupon all such Obligations shall become due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Grantor (provided, that all Obligations shall be automatically due and payable upon an Event of Default described in either Section 7.1.9 or Section 7.1.10 of the Loan Agreement, and Beneficiary may immediately enforce payment of all such amounts and may exercise any or all of its rights and remedies under this Deed of Trust, the Notes, any of the other Loan Documents and applicable law and equity). Grantor also waives any and all rights Grantor may have to a hearing before any judicial authority prior to the exercise by Beneficiary of any of its rights under this Deed of Trust, the Notes, any of the other Loan Documents and applicable law.

4.2.2 If an Event of Default shall have occurred and be continuing, Grantor, upon demand of Beneficiary, shall forthwith surrender to Beneficiary the actual possession, and if and to the extent permitted by law, Beneficiary may enter and take possession, of all the Premises, and may exclude Grantor and its agents and employees wholly therefrom.

4.2.3 If an Event of Default shall have occurred and be continuing, 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 Premises 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 Premises, 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 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 Premises unless such receivership is sooner terminated.

4.2.4 If an Event of Default shall have occurred and be continuing, Beneficiary may, 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 and take possession of the Premises, 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 Premises, 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 Premises, sue for or otherwise collect the Receipts, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorneys' fees, upon any indebtedness secured by this Deed of Trust, all in such order as Beneficiary may determine. The entering upon and taking possession of the Premises, and the collection of such Receipts 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 Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Premises and/or the collection, receipt and application of Receipts, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Documents or by law upon occurrence of any Event of Default, including any right to exercise the power of sale;

4.2.5 If an Event of Default shall have occurred and be continuing, Beneficiary may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit

or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Loan Documents or the performance of any term thereof or any other right, (b) to foreclose this Deed of Trust and to sell the Premises, in accordance with applicable law, and (c) to pursue any other remedy available to it under this Deed of Trust, at law or in equity, all as Beneficiary shall deem most effectual for such purposes. Beneficiary shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Beneficiary may determine.

4.2.6 If an Event of Default shall have occurred and be continuing, Beneficiary may foreclose this Deed of Trust as a mortgage or cause any or all of the Real Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law. For any sale under the power of sale granted by this Deed of Trust, Beneficiary or Trustee shall record and give all notices required by law and then, upon the expiration of such time as is required by law, Trustee may sell the Real Property upon any terms and conditions specified by Beneficiary and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Real Property includes several lots or parcels, Beneficiary in its discretion may designate their order of sale or may elect to sell all of them as an entirety. The Premises, real, personal and mixed, may be sold in one parcel. To the extent any of the Premises sold by the Trustee is personal property, then Trustee shall be acting as the agent of the Beneficiary in selling such Premises. Any person permitted by law to do so may purchase at any sale, including, without limitation, Beneficiary and if Beneficiary is the highest bidder, Beneficiary may credit the portion of the purchase price that would be distributed to Beneficiary against the Secured Obligations in lieu of paying cash. At any such sale by virtue of any judicial proceedings, power of sale; or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Grantor shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Grantor, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Grantor. Following the completion of a judicial foreclosure or a trustee's sale of all or a portion of the security for the obligations secured hereby, to the fullest extent permitted by law, Beneficiary may seek and obtain a deficiency judgment. Upon any sale, Trustee will execute and deliver to the purchaser or purchasers a deed or deeds conveying the Real Property sold, but without any covenant or warranty, express or implied, and the recitals in the Trustee's deed showing that the sale was conducted in compliance with all the requirements of law shall be prima facie evidence of such compliance. Beneficiary shall have the right at its option to foreclose this Deed of Trust subject to the rights of any tenant or tenants of the Real Property, and the failure to make any such tenants party defendants to any such foreclosure proceeding and to foreclose its rights will not be, nor be asserted to be by Grantor, a defense to any proceedings instituted by Beneficiary to collect the sum secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Premises.

4.2.7 Borrower shall pay all of Beneficiary's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust, whether or not any suit is filed, including without limitation legal fees and disbursements, foreclosure costs, title charges, and expenses incurred in any trial, appellate, bankruptcy, reorganization, liquidation, receivership or similar proceeding. All such sums, with interest thereon, shall be additional indebtedness of Borrower secured by this

Deed of Trust. Such sums shall be immediately due and payable and shall bear interest from the date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

4.2.8 Trustee may postpone sale of all or any portion of the Premises 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. Beneficiary may rescind any such notice of default at any time before Trustee's sale. The exercise by 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 Premises to be sold, nor otherwise affect the Notes or this Deed of Trust, or any of the rights, obligations or remedies of Beneficiary or Trustee hereunder.

4.2.9 Without limiting the generality of the foregoing, upon the occurrence of an Event of Default and during the continuance thereof the Beneficiary at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies with respect to Receipts and Agreements:

(a) to enforce the termination of the license granted to Grantor hereunder to collect the Receipts, and, without taking possession, in Beneficiary's own name to demand, collect, receive, sue for, attach and levy upon the Receipts (including all income received or receivable with respect to any of the Premises), to give proper receipts, releases and acquittances therefor, and after deducting all necessary and reasonable costs and expenses of collection, including reasonable attorneys' fees, to apply the net proceeds thereof to the Obligations in such order and amounts as Beneficiary may choose (or hold the same in a cash collateral reserve as security for the Obligations);

(b) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent, or by a receiver to be appointed by court, to enter upon, take possession of, manage and operate the property or any part thereof for the account of Grantor; make, modify, enforce, cancel or accept surrender of any Agreement; remove and evict any party thereto; increase or reduce rents or Receipts; cut, remove, sell and dispose of timber and exercise all rights under deeds or contracts and otherwise do any act, or incur any cost or expense Beneficiary shall deem proper to protect the security hereof, as fully and to the same extent as Grantor could and to apply any funds to the operation and management of the Premises (including payment of reasonable management, brokerage and attorneys' fees) and payment of any Obligations in such order and amounts as Beneficiary may choose (or hold the same in cash collateral reserve as security);

(c) to require Grantor to transfer and pay over to Beneficiary any deposits and records thereof, together with all original Agreements;

(d) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of the Grantor under this Deed of Trust; and

(e) The collection of the Receipts and application thereof (or holding thereof in reserve) as

aforesaid or the entry upon and taking possession of the Premises or both shall not cure or waive any default or waive, modify or affect any notice of default under this Deed of Trust, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Beneficiary, once exercised, shall continue for so long as Beneficiary shall elect, notwithstanding that the collection and application aforesaid of the Receipts may have cured the original default. If Beneficiary shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

4.2.10 It is specifically understood and agreed that the foregoing acceleration provisions will be applicable not only to the maturities recited in the original Notes but also to any substituted maturities created by extension or renewal. The failure of the holder(s) of the secured indebtedness to declare an acceleration of maturities when a ground therefor exists, even though such forbearance may be repeated from time to time, will not constitute a waiver of the right of such holder(s) to accelerate maturities upon a recurrence of the same ground therefor; nor will the act of such holder(s) in remedying any condition resulting from declaring an acceleration of maturities by reason of such default.

4.3 Advances by Beneficiary. If the Grantor shall fail to comply with the provisions hereof and of the Loan Agreement and other Loan Documents with respect to the securing of insurance, the payment of taxes, assessments and other charges, the condition of the Premises, the performance of the Grantor's obligations under any Agreement, the payment and discharge of other liens, or the protection of any of the Premises or the lien and priority of this Deed of Trust or the performance of any other term or covenant herein contained, Beneficiary may, without further notice to or demand upon Grantor and without waiving or releasing any other right, remedy or recourse (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Grantor (such Beneficiary to have uncontrolled discretion as to the necessity of making any such expenditures), and shall have the right to enter upon the Premises for such purpose and to take all such action as it may deem necessary or appropriate. The repayment of any such sum or sums on demand (with interest thereon at the highest rate allowed by law from the date of each expenditure) shall be the personal obligation of Grantor; and such obligation to repay will constitute a part of the indebtedness secured hereby. The expenditures thus made reimbursable shall include, without limitation, taxes, special improvement assessments, insurance premiums, repairs and maintenance expenses, security expenditures, sums paid to discharge prior liens, and rents on premises in which mortgaged personalty may be situated. Grantor agrees to repay all such sums advanced upon demand, with interest from the date such advances are made at the Default Rate as provided for and as defined in the Notes, or the highest rate permitted by law, whichever shall be less, and all sums so advanced with interest shall constitute Obligations and shall be secured hereby. The cost of any title abstract or report or supplemental abstract or report procured by Beneficiary to facilitate foreclosure will also constitute a part of the reimbursable expenses secured hereby.

4.4 Tenancy at Will. In the event of a trustee's sale hereunder and if at the time of such sale Grantor or any other party occupies the portion of the Premises so sold or any part thereof, such occupant shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or Landlord, at a reasonable rental per day based upon the value of the portion of the Premises so occupied, such rental to be

due and payable daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of such Premises.

4.5 Indemnification of Trustee. Except for gross negligence or willful misconduct, Trustee shall not be liable for any act or omission or error of judgment. Trustee may rely on any document believed by him in good faith to be genuine. All money received by Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and Trustee shall not be liable for interest thereon. Grantor hereby indemnifies Trustee against all liability and expenses that it may incur in the performance of his duties hereunder.

4.6 Other Rights. Beneficiary may exercise any and all other rights, remedies and recourses granted under the Loan Documents and/or now or hereafter existing in equity or at law for the protection and preservation of the Premises.

4.7 Remedies Cumulative, Concurrent and Nonexclusive. Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available at law or equity (including, without limitation, those granted by the Code and applicable to the Premises, or any portion thereof), and same (1) shall be cumulative and concurrent, (2) may be pursued separately, successively or concurrently against Grantor or others obligated for the Obligations, or any part thereof or against any one or more of them, or against the Premises, at the sole discretion of Beneficiary, (3) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise of or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (4) are intended to be, and shall be, nonexclusive, and Beneficiary may pursue inconsistent remedies, and no action hereunder by Beneficiary shall be deemed to prejudice Beneficiary's right thereafter to foreclose this Deed of Trust. Nothing herein and no action of Beneficiary shall be construed as an election to proceed under any provision to the exclusion of any other provision or as prohibiting Beneficiary from seeking a deficiency judgment against Grantor to the extent such action is permitted by law. Beneficiary shall be entitled to enforce payment and performance of the Obligations and to exercise all rights and powers under this Deed of Trust or under the Notes and other Loan Documents or any other agreement executed in connection herewith or any laws now or hereafter in force, notwithstanding some or all of the such indebtedness and Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Beneficiary's right to realize upon or enforce any other security now or hereafter held by Beneficiary, it being agreed that Beneficiary shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary in such order and manner as Beneficiary may in its sole and absolute discretion determine.

4.8 Application of Proceeds. All payments received by Beneficiary or Trustee as proceeds of the Premises, or any part thereof, as well as any and all amounts realized by Beneficiary or Trustee in connection with the enforcement of any right or remedy under or with respect to this Deed of Trust, shall be applied by Beneficiary as follows (except as otherwise required by law): (i) to the payment of all necessary expenses of Trustee or Beneficiary incident to the execution of any foreclosure sale or sales or other remedies under this Deed of Trust, including attorneys'

fees, appraisal fees, title search fees, foreclosure notice costs and reasonable compensation to Trustee, (ii) to the payment in full of any of the Obligations that is then due and payable (including without limitation any money, with interest thereon at a rate equal to the Default Rate which Beneficiary may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided, principal, accrued interest and all other sums secured hereby) and to the payment of attorneys' fees as provided herein and in the Notes, all in such order as Beneficiary may elect in its sole discretion, (iii) to a cash collateral reserve fund to be held by Beneficiary in an amount equal to, and as determined by Beneficiary for, any of the Obligations that are not then due and payable, and (iv) the remainder, if any, shall be paid to Grantor or such other person or persons as may be entitled thereto by law, after deducting therefrom the cost of ascertaining their identity.

4.9 General Remedies. In addition to, and not in limitation of, all other rights and remedies contained herein, if an Event of Default shall have occurred and be then in existence, Beneficiary may take such action, without notice or demand, as it shall deem advisable to protect and enforce its rights against Grantor and in and to the Premises or any part thereof or interest therein, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary: (i) enter into or upon the Premises, either personally or by its agents, nominees or attorneys and dispossess Grantor and its agents and servants therefrom, and thereupon Beneficiary may (A) use, operate, manage, control, insure, maintain, repair, restore, harvest and sell timber and otherwise deal with all and every part of the Premises and conduct the business thereat, (B) complete any construction on the Premises in such manner and form as Beneficiary deems advisable, (C) make alterations, additions, renewals, replacements and improvements to or on the Premises, (D) exercise all rights and powers of Grantor with respect to the Premises, whether in the name of Grantor or otherwise, including, without limitation, the right to make, cancel, enforce or modify, timber sale contracts, log or pulpwood sale contracts, stumpage sale agreements, leases, Agreements and other agreements and demand, sue for, collect and receive all earnings, revenues, rents, Receipts, issues, profits and other income of the Premises and every part thereof and (E) receive and collect the receipts from the Premises, give proper receipts, releases and acquittances therefore, and apply the same to the payment of the Secured Obligations, after deducting therefrom all expenses (including reasonable attorneys' fees and expenses) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Premises, as well as just and reasonable compensation for the services of the Beneficiary and its counsel, agents, contractors and employees, or (ii) institute proceedings for the judicial foreclosure of this Deed of Trust in which case the Premises may be sold for cash or upon credit in one or more parcels, or (iii) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Deed of Trust for the portion of the Secured Obligations then due and payable, subject to the continuing lien of this Deed of Trust for the balance of the Secured Obligations not then due, or (iv) sell for cash or upon credit the Premises or any part thereof and all or any part of any estate, claim, demand, right, title and interest of Grantor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Premises, this Deed of Trust shall

continue as a lien on the remaining portion of or estate in the Premises, or (v) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein or in the Notes or any other Loan Document, or (vi) recover judgment on the Notes or any guaranty either before, during or after any proceedings for the enforcement of this Deed of Trust or (vii) pursue such other remedies as Beneficiary may have under applicable law or equity. Further, once Beneficiary has exercised any of its rights or remedies hereunder, or under the Loan Documents, during the existence of an Event of Default, all actions theretofore or thereafter taken by Beneficiary in pursuit of such rights and remedies shall not be affected by any cure of such Event of Default, unless Beneficiary shall accept the cure by a signed writing and terminate pursuit of any such right or remedy, in which case, the parties shall be restored to their position which existed prior to Beneficiary's exercise of its rights or remedies.

4.10 Waiver of Jury Trial. GRANTOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY TORT ACTION, BROUGHT BY GRANTOR AGAINST TRUSTEE OR BENEFICIARY BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO OR IN CONNECTION WITH THE LOAN DOCUMENTS, THE LOAN OR ANY COURSE OF CONDUCT, ACT, OMISSION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON (INCLUDING, WITHOUT LIMITATION, SUCH PERSON'S DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH SUCH PERSON), IN CONNECTION WITH THE LOAN OR THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, IN ANY COUNTERCLAIM WHICH GRANTOR MAY BE PERMITTED TO ASSERT THEREUNDER OR WHICH MAY BE ASSERTED BY BENEFICIARY OR ANY OF ITS AGENTS AGAINST GRANTOR, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT NO SUCH ACTION WITH RESPECT TO WHICH A JURY TRIAL HAS BEEN WAIVED SHALL BE SOUGHT TO BE CONSOLIDATED WITH ANY OTHER ACTION WITH RESPECT TO WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THIS WAIVER BY GRANTOR OF ITS RIGHT TO A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE MAKING OF THE LOAN.

5. MISCELLANEOUS PROVISIONS.

5.1 Waiver and Election. The exercise by Beneficiary of any right, power or remedy given under the terms of this Deed of Trust shall not be considered as a waiver of the right to exercise any other right, power or remedy given herein, and the filing of a suit to foreclose the lien, security interest and assignment granted by this Deed of Trust, either on any matured portion of the Obligations or for the whole of the Obligations, shall not be considered an election so as to preclude foreclosure under any power of sale after a dismissal of the suit; nor shall the publication of notices for foreclosure preclude the prosecution of a later suit thereon. No failure or delay on the part of Beneficiary in exercising any right, power or remedy under this Deed of Trust shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or thereunder. No notice to or demand on Grantor in any case shall

entitle Grantor to any other or further notice or demand in similar or other circumstances. Grantor expressly waives the right to any notice of the assignment of the Notes or this Deed of Trust and the right to enforce the provisions of any applicable law requiring such notice.

5.2 Enforceability. If any provision of this Deed of Trust is held to be illegal, invalid, or unenforceable under present or future laws effective while this Deed of Trust is in effect, the legality, validity and enforceability of the remaining provisions of this Deed of Trust shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Deed of Trust a provision that is legal, valid and enforceable and as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

5.3 Application of Payments. If the lien, assignment or security interest created by this Deed of Trust is invalid or unenforceable as to any part of the Obligations or is invalid or unenforceable as to any part of the Premises, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations that is not secured or not fully secured by said lien, assignment or security interest created hereby.

5.4 Applicable Law. This Deed of Trust shall be governed by the internal laws of the State of Oregon without regard to principles of conflicts of law. Without limiting the foregoing, Grantor agrees that Oregon law without regard to its conflict of laws rules shall apply to all action, defenses and remedies under the Loan Documents, including without limitation, the existence and calculation of any deficiency judgment upon foreclosure of this Deed of Trust and any right to collect any such deficiency judgment against Grantor, any guarantor or any other person liable for the Obligations.

5.5 Meaning of Particular Terms. Whenever used, the singular number shall include the plural and the plural, the singular, the pronouns of one gender shall include all genders; and the words "Grantor," "Borrower," "Beneficiary" and "Trustee" shall include their respective heirs, personal representatives, successors and assigns.

5.6 Release or Extension by Beneficiary. Beneficiary, without notice to Grantor and without in any way affecting the rights of Beneficiary hereunder as to any part of the Premises not expressly released, may release any part of the Premises or any person liable for any of the Obligations and may agree with any party with an interest in the Premises to extend the time for payment of all or any part of the Obligations or may waive the prompt and full performance of any term, condition or covenant of the Notes, any of the Loan Documents, this Deed of Trust or any other instrument evidencing or securing any of the Obligations, without in any manner affecting the rights or obligations of Grantor, Trustee or Beneficiary hereunder or at law or in equity.

5.7 Partial Payments. Acceptance by the Beneficiary of any payment of less than the full amount due on the Obligations shall be deemed acceptance on account only, and the failure of the Grantor to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Obligations has been

paid, Beneficiary shall be entitled to exercise all rights conferred on it by the terms of this Deed of Trust in case of the occurrence of an Event of Default.

5.8 Addresses for Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and shall be sent by Federal Express or other recognized national courier, personal service or United States mail, certified with return receipt requested, to the applicable party at its address indicated on the first page of this Deed of Trust or shall be sent in accordance with the Loan Agreement, and shall be deemed given upon receipt or refusal to accept, and any party may designate another address in accordance herewith or with the Loan Agreement. All notices to Beneficiary and/or Trustee shall also be sent to Edwards Wildman Palmer LLP, 20 Church Street, 20th Floor, Hartford, Connecticut 06103, Attention: John B. D'Agostino, Esq.

5.9 Absence of Obligations of Beneficiary with respect to Premises. Notwithstanding anything in this Deed of Trust to the contrary, (1) to the extent permitted by applicable law, the Premises is comprised of Grantor's rights, title and interests therein but not its obligations, duties or liabilities pertaining thereto, (2) Beneficiary does not assume, shall not be deemed to assume and shall have any obligations, duties or liabilities in connection with any portion of the items described in connection with the definition of "Premises" herein, either prior to or after obtaining title to such Premises, whether by foreclosure sale, the granting of a deed in lieu of foreclosure or otherwise, and (3) Beneficiary may, at any time prior to or after the acquisition of title to any portion of the Premises as above described, advise any party in writing as to the extent of Beneficiary's interest therein and/or expressly disaffirm in writing any rights, interests, obligations, duties and/or liabilities with respect to such Premises or matters related thereto. Without limiting the generality of the foregoing, it is understood and agreed that Beneficiary shall have no obligations, duties or liabilities prior to or after acquisition of title to any portion of the Premises, as party under any Agreement or purchaser or seller under any contract or option unless Beneficiary elects otherwise by written notification.

5.10 Titles. All section, paragraph, subparagraph or other titles contained in this Deed of Trust are for reference purposes only, and this Deed of Trust shall be construed without reference to said titles.

5.11 Construction and Presumption. This Deed of Trust may be construed as a deed of trust, mortgage, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation, or contract, or any one or more of them, in order fully to effectuate the lien, security interest and assignment created hereby and the purposes and agreements herein set forth. Although the initial draft of this Deed of Trust and the Loan Documents was drafted by Beneficiary, Grantor and Grantor's legal counsel have had full opportunity to review, negotiate and approve the final form of this Deed of Trust and the other Loan Documents. Accordingly, in the event of any ambiguity in the construction or interpretation of any provision of this Deed of Trust, or the Loan Documents, no presumption shall be indulged in favor of either party in the resolution of such ambiguity.

5.12 Collection Costs. The Grantor agrees to pay all costs, including reasonable attorneys' fees, incurred by the Trustee or Beneficiary in enforcing the Beneficiary's rights hereunder and in collecting or securing, or attempting to collect or secure, the Obligations, or any part thereof

whether or not litigation is filed, or in defending or attempting to defend the priority of this Deed of Trust against any lien on the Premises, or any part thereof, unless this Deed of Trust is herein expressly made subject to any such lien; and all costs incurred in the foreclosure or other enforcement of this Deed of Trust, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction, including any appeal thereof. The full amount of such costs incurred by the Trustee or the Beneficiary shall be a part of the Obligations, and shall bear interest from the date incurred until paid at the Default Rate provided in the Notes or such lesser amount as shall be the maximum amount permitted by law, and shall be secured by this Deed of Trust.

5.13 Defeasance. If all of the Obligations have been paid in full, including but not limited to all sums (principal, interest, premium and charges) payable under the Notes and any and all extensions and renewals of the same; and all sums due, or to become due, and payable by Grantor under the terms of this Deed of Trust, the Loan Agreement and any of the other Loan Documents, including but not limited to advancements made by Beneficiary pursuant to the terms and conditions of this Deed of Trust, and if there is no outstanding breach by Grantor of the obligations, covenants, duties, conditions and agreements herein and in the Loan Agreement, Notes and other Loan Documents imposed on or agreed to by Grantor; then this conveyance and the grants and conveyances contained herein shall become null and void, and the Premises shall revert to Grantor, and the entire estate, right, title and interest of Trustee and Beneficiary will thereupon cease; and Beneficiary in such case shall, upon the request of Grantor and at Grantor's cost and expense, deliver to Grantor proper instrument(s) acknowledging satisfaction of this instrument; otherwise, this Deed of Trust shall remain in full force and effect. No release or modification of this conveyance, or of the lien, security interest or assignment created and evidenced thereby, shall be valid unless executed by Beneficiary.

5.14 Partial Release of Lien, Extension, etc. Any part of the Premises or any other property which is security for the Loan may be released by Beneficiary without affecting the lien, security interest and assignment hereof against the remainder and Lender may agree with any party with an interest in the Collateral to extend the time for payment of all or any part of the Obligations or to waive the prompt and full performance of any term, condition or covenant of the Note, any of the Loan Documents, this Security Instrument or any other instrument evidencing or securing any of the Obligations. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security accepted by Beneficiary for the Obligations. The accepting of additional security, or the extension or renewal of the Obligations or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser or guarantor or improve the right of any junior lienholder; and this Deed of Trust, as well as any instrument given to secure any renewal or extension of the Obligations, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Premises not expressly released until the Obligations are paid. From time to time at Beneficiary's option, by instrument executed by Beneficiary and recorded in the land records where this Deed of Trust has been recorded, Beneficiary may subordinate the lien created by this Deed of Trust only by written signed document in recordable form to any interest in the Premises, provided, however, that any such subordination shall be solely at Beneficiary's option, and in no event shall Beneficiary be obligated to subordinate the lien created by this Deed of Trust.

5.15 Entire Agreement and Modification. There are no oral agreements between the parties. The Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative thereto which are not contained herein or therein are terminated. The Loan Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted, and any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

5.16 Relationship; Joint and Several Liability. The relationship of Beneficiary to Grantor under this Deed of Trust and with respect to the Loan Documents is strictly and solely that of creditor and debtor and nothing contained in this Deed of Trust or any other Loan Document is intended to create, or shall in any event or under any circumstance be construed to create, a partnership, joint venture, tenancy in common, joint tenancy or other relationship of any nature whatsoever between Beneficiary and Grantor, or in any way make Beneficiary a co-principal with Grantor with reference to the Premises, and any inferences to the contrary are hereby expressly negated. If at any time there shall be more than one party which are together referred to herein as Grantor, then each such party hereby each agree that each of them shall be jointly and severally liable for all obligations and liabilities of Grantor under this Deed of Trust and further each agree that Beneficiary may, in its sole discretion, take any action hereunder against both of them, or either of them, without prejudice to or effect on any future action against either or both of them, and that any notice to or from either of them shall be deemed to be received or given by them both.

5.17 Further Assurances. Grantor, upon the request of Beneficiary, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, betterments or appurtenances to the then Premises.

5.18 Recording and Filing. Grantor will cause this Deed of Trust and any Financing Statements and all amendments and supplements thereto and substitutions therefor to be recorded, filed, rerecorded and refiled in such manner and in such places as Beneficiary shall reasonably request, and will pay all such recording, filing, rerecording and refiling taxes, fees and other charges.

5.19 Successors and Assigns. All of the terms of the Loan Documents shall apply to, be binding upon and inure to the benefit of the parties thereto, their successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them, and all of the obligations and liabilities of Grantor contained herein and in the Loan Documents are intended by the parties to be, and shall be construed as, covenants running with the Premises.

6. THE TRUSTEE.

6.1 Compensation of Trustee. Trustee is and shall be entitled to reasonable compensation for all services rendered hereunder, or in connection with the trust herein created, and in addition,

Trustee or Beneficiary shall be entitled to pay a reasonable sum for an examination of title at the date of sale to assure itself as to what person is entitled to receive any surplus which any remain after discharging the liens hereby created. Trustee's compensation, together with any and all necessary and reasonable expenses, charges, attorneys' fees, including but not limited to fees for legal advice concerning his rights and duties with respect to this Deed of Trust and the Premises, and other disbursements incurred by Trustee in discharge of his duties as such, shall be a further charge and lien upon the Premises and enforced in the same manner as the principal obligation due hereunder or under the Notes.

6.2 Bond, Oath, etc. The giving of bond, making of oath or filing of inventory by the Trustee herein, or his successors in trust, is hereby expressly waived.

6.3 Successor Trustees. Beneficiary shall have the right, in its absolute discretion and without assigning any cause or reason whatsoever, and without giving notice to any of the parties named herein, the giving of notice being expressly waived by Grantor, to remove Trustee named herein, or any successor Trustee at any time, and, without the necessity for the joinder therein of Trustee named herein, to appoint a successor trustee by written instrument executed by Beneficiary, and such successor trustee or subsequent successor trustees shall become vested with the same title to the Premises and the same rights and powers and subject to the same duties as Trustee originally named herein, and each appointment of a successor trustee by Beneficiary shall be recorded in the Office of the Recorder in each county in which the Premises is located. Such appointment may be executed by anyone acting in a representative capacity, and such appointment shall be conclusively presumed to have been executed with appropriate authority.

6.4 Amendments. Any amendment or modification of this instrument may be made between Grantor and Beneficiary without the necessity of joinder therein by Trustee.

7. ADDITIONAL COVENANTS AND AGREEMENTS OF GRANTOR.

Grantor covenants and agrees that, until the Obligations are paid in full and this Deed of Trust is discharged in writing by Beneficiary:

7.1 Additional Security Documents.

(a) Grantor has simultaneously herewith executed and delivered to or for the benefit of Beneficiary multiple counterpart originals of this Deed of Trust to be recorded in each County in the State of Oregon where any of the Premises is located (collectively, the "**Additional Deeds of Trust**"), which Additional Deeds of Trust secure the Loan.

(b) The Additional Deeds of Trust, and this Deed of Trust (and each counterpart thereof) shall each and all constitute security for the Notes, the indebtedness referred to therein and the Loan. If there should be an Event of Default in any of the terms, conditions or obligations of any of the Additional Deeds of Trust, such default shall constitute an Event of Default under this Deed of Trust. The Beneficiary, may foreclose or otherwise enforce such security under the Additional Deeds of Trust, enforce its rights, powers and remedies with respect to, and realize upon, such security or otherwise enforce its rights, powers and remedies with respect to, and realize upon, such security, either before or concurrently with or after a foreclosure or other enforcement of this Deed of Trust, any other such security or any of the other Loan Documents,

and in any order as Beneficiary may choose (whether or not every aspect of any such foreclosure or other enforcement may be commercially reasonable), all without impairing or being deemed to have waived any rights, benefits, liens or security evidenced by or arising under or in connection with this Deed of Trust, any other such security or any of the other Loan Documents, the Additional Deeds of Trust, and without being deemed to have made an election thereby or to have accepted the benefits of such security (or the proceeds thereof) in full settlement of the Obligations and of its rights with respect thereto. No judgment, order or decree rendered against Grantor with respect to any such other security or any of the other Loan Documents, whether rendered in any state in which any collateral is situated or elsewhere, shall in any manner affect the security of this Deed of Trust, and any deficiency or other debt represented by any such judgment, order or decree shall, to the extent permitted by law, be secured by this Deed of Trust to the same extent that the Loan shall have been secured by this Deed of Trust prior to the rendering of such judgment, order or decree. Grantor for itself and for any and all persons who may at any time claim through or under Grantor or who hereafter may otherwise acquire any interest in or title to all or any part of the Premises or any other security for the Obligations, hereby irrevocably waives and releases, to the extent permitted by law, all benefit of any and all laws that would limit or prohibit the effectiveness of anything set forth in this Section.

(c) Notwithstanding anything contained herein to the contrary, Beneficiary shall be under no duty to Grantor or any other person or entity, including, without limitation, any holder of a junior, senior or subordinate mortgage on the Premises or any part thereof or on any other security held by Beneficiary, to exercise, exhaust or first resort to all or any of the rights, powers and remedies available to Beneficiary, whether under this Deed of Trust, the other Loan Documents, the Additional Deeds of Trust, prior to the sale of the Premises or any other enforcement of this Deed of Trust. Furthermore, Grantor and such other persons and entities waive all rights relating to marshaling and agree that Beneficiary shall not be compelled to release any part of the security of this Deed of Trust, the other Loan Documents or the Additional Deeds of Trust or be prevented from foreclosing or enforcing this Deed of Trust, the other Loan Documents, the Additional Deeds of Trust upon all or any part of such security unless the Obligations shall have been paid in full and that Beneficiary shall not be compelled to accept or allow any apportionment of the Loan to or among any of the property encumbered by this Deed of Trust, the other Loan Documents or the Additional Deeds of Trust.

7.2 ORS Chapter 93 Warning. 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, AND 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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

7.3 WARNING UNDER ORS 41.580. 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 THE BORROWER'S RESIDENCE, MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE BENEFICIARY TO BE ENFORCEABLE.

7.4 After Acquired Premises. Grantor covenants and agrees that, if and to the extent that any of its respective rights, titles, estates and interests in any of the Premises is not acquired until after delivery of this Deed of Trust, this Deed of Trust shall nonetheless apply thereto and the security interest of Beneficiary hereby created shall attach to such Premises at the same time as Grantor acquires rights therein, without the necessity of any further mortgage, charge, pledge, assignment or assurance and thereafter such Premises shall be subject to the security interests created under this Deed of Trust.

7.5 Waiver of Certain Rights and Marshaling. Grantor agrees, to the extent permitted by law, that neither Grantor nor any person at any time claiming through or under Grantor shall set up, claim or seek to take advantage of any appraisement, valuation, stay, notice of election to accelerate, mature or declare due the Obligations, extension, redemption or moratorium laws, any right of division, or any exemption from execution or sale, or any rights of dower, curtesy or homestead, now or hereafter in force, in order to prevent or hinder the enforcement of this Deed of Trust after the occurrence of any Event of Default, the final and absolute sale of all or any part of the Premises or the final and absolute putting into possession thereof, immediately after any such sale, of the purchaser or purchasers at such sale or the enforcement of any other rights or remedies of Beneficiary under this Deed of Trust or any other Loan Documents. Grantor, for itself and for all who may at any time claim through or under Grantor or who hereafter may otherwise acquire any interest in or title to all or any part of the Premises, or any other collateral for the Loan, hereby waives, releases and renounces to the extent permitted by law, all benefit of any such law or laws, any and all rights of redemption from sale under any power of sale permitted by law or pursuant to any judgment, order or decree of foreclosure of this Deed of Trust, and any and all right to have the assets constituting the Premises or otherwise constituting collateral for the Loan, marshaled upon any foreclosure or other enforcement of this Deed of Trust or to direct the order in which any of the Premises or other property constituting such collateral shall be sold in the event of any sale or sales pursuant hereto, as well as rights regarding the administration of estates of decedents or any other rights which might defeat, reduce or affect the right of Beneficiary to sell the Premises for the collection of its obligations. Beneficiary or any court having jurisdiction to exercise or enforce rights with respect to this Deed of Trust may sell the Premises in part or as an entirety. Beneficiary shall not be required to accept any part or parts of the Premises in satisfaction of all or any part of the Secured Obligations. Beneficiary shall not be required to accept any apportionment of the Secured Obligations to or among any part or parts of the Premises.

7.6 Statute of Limitations. Grantor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of any and all Secured Obligations secured by this Deed of Trust.

7.7 Time of Essence. Time is of the essence of the obligations of Grantor in this Deed of Trust and each and every term, covenant and condition made herein by or applicable to Grantor.

7.8 Certain Obligations Unsecured. 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 Unsecured Environmental Indemnity and 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 Premises of Hazardous Substances and are the same or have the same effect as any of the obligations evidenced by or arising under the Unsecured Environmental Indemnity and 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 Beneficiary'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.

7.9 No Residence. The Real Property does not now and Borrower covenants that during the term of this Deed of Trust the Real Property will not contain any residential structure or unit so that at no time will this Deed of Trust be a residential trust deed as defined in ORS §86.705(6). This Trust Deed secures an obligation incurred exclusively for commercial, business or investment purposes. Borrower warrants to Beneficiary that the proceeds of the loan evidenced by the Notes shall be used exclusively for commercial, business or investment purposes and that the Loan was not made for personal, family or household purposes.

7.10 Multiple Originals. This Deed of Trust is being executed in multiple originals in order to be recorded simultaneously in each of the counties where the Premises is located. All such originals shall constitute one and the same Deed of Trust.


[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, Grantor has executed this instrument under seal as of the day and year first written above.

GRANTOR:

MURPHY TIMBER INVESTMENTS, LLC,
an Oregon limited liability company

By:




John R. Murphy
Manager

State of OREGON

County of Lane

This record was acknowledged before me on December 8, 2014, by John R. Murphy as the Manager of Murphy Timber Investments, LLC, an Oregon limited liability company, on behalf of the company.



Notary Public – State of Oregon
My commission expires:



(Complete line above if notarial stamp
does not include expiration date of commission.)

[Signature and acknowledgement page to Deed of Trust, Security Agreement and Assignment of Leases and Rents]

SCHEDULE A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW DESCRIBED AS FOLLOWS:

DOUGLAS COUNTY TRACT:

PARCEL 1:

THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 32 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, DOUGLAS COUNTY, OREGON.

ALSO, GOVERNMENT LOTS 6, 7, 10 AND 11, ALL IN SECTION 6, TOWNSHIP 32 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, DOUGLAS COUNTY, OREGON. EXCEPTING THEREFROM THAT PART CONVEYED TO DOUGLAS COUNTY BY DEED RECORDED IN BOOK 95, PAGE 116, RECORDER'S NO. 89282, RECORDS OF DOUGLAS COUNTY, OREGON.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN TILLER-TRAIL HIGHWAY NO. 227.

PARCEL 2:

GOVERNMENT LOT 9, THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, ALL IN SECTION 1, TOWNSHIP 32 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, DOUGLAS COUNTY, OREGON.

TOGETHER WITH THE ROADWAY EASEMENT RECORDED IN BOOK 568, PAGE 484, RECORDER'S NO. 75-4920, RECORDS OF DOUGLAS COUNTY, OREGON.

PARCEL 3:

THE EAST HALF OF SECTION 26, TOWNSHIP 32 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, DOUGLAS COUNTY, OREGON.

TOGETHER WITH THE ROADWAY EASEMENT GRANTED IN BOOK 1824, PAGE 267, RECORDER'S NO. 2001-29404, RECORDS OF DOUGLAS COUNTY, OREGON.

PARCEL 4:

THE NORTHEAST QUARTER, AND GOVERNMENT LOTS 3, 5, 6 AND 12, ALL IN SECTION 34, TOWNSHIP 32 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, DOUGLAS COUNTY, OREGON.

AFFECTS ALL DOUGLAS COUNTY PARCELS:

TOGETHER WITH THOSE RIGHTS CONTAINED IN AMENDED AND RESTATED RECIPROCAL EASEMENT AGREEMENT RECORDED MARCH 26, 2014 AS INSTRUMENT NO. 2014-4636, AS MODIFIED BY FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT RECORDED OCTOBER 20, 2014 AS INSTRUMENT NO. 2014-13873 OF OFFICIAL RECORDS.

JACKSON COUNTY TRACT:

PARCEL 1:

(TOWNSHIP 31 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN)

SEC. 13 N1/2

SEC. 36 W1/2NW1/4; SE1/4NW1/4; W1/2SW1/4; SE1/4SW1/4; S1/2SE1/4 (TAX LOTS 300 AND 600)

PARCEL 2:

(TOWNSHIP 31 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN)

SEC. 18 SE1/4NW1/4; LOTS 2 & 3

SEC. 35 S1/2N1/2

PARCEL 3:

(TOWNSHIP 32 SOUTH, RANGE 1 EAST, WILLAMETTE MERIDIAN)

SEC. 4 SE1/4SE1/4; W1/2SE1/4; SW1/4NE1/4; LOTS 3 & 4; S1/2NW1/4; SW1/4

SEC. 6 ALL

SEC. 8 E1/2SW1/4; W1/2SE1/4
S1/2NE1/4; SE1/4NW1/4; NE1/4SE1/4

SEC. 10 NE1/4
NW1/4
SW1/4

SEC. 12 NW1/4
SE1/4
SW1/4

SEC. 18 ALL

SEC. 20 ALL

SEC. 21 W1/2W1/2

SEC. 25 ALL

SEC. 34 ALL. EXCEPT THAT PROPERTY DESCRIBED IN DOCUMENT NO. 74-08008 OFFICIAL RECORDS
OF JACKSON COUNTY, OREGON.

SEC. 36 ALL

PARCEL 4:

(TOWNSHIP 32 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN)

SEC. 1 ALL. EXCEPT LOTS 1 AND 2

SEC. 2 LOTS 2 & 3; SE1/4NW1/4; SW1/4
LOT 1; S1/2NE1/4

SEC. 3 E1/2SE1/4
S1/2NW1/4; W1/2SW1/4

SEC. 4 ALL

SEC. 5 ALL

SEC. 12 N1/2
E1/2SE1/4; SW1/4SE1/4
NW1/4SE1/4

SEC. 18 LOTS 1, 2, 3 & 4; E1/2SW1/4; E1/2NW1/4. EXCEPTING 7.86 ACRES DESCRIBED IN DOCUMENTS
NO. 66-05429 OFFICIAL RECORDS OF JACKSON COUNTY, OREGON.
SE 1/4; W1/2NE1/4

SEC. 21 LOT 7; SE1/4SW1/4

SEC. 28 N1/2NE1/4; NW1/4
SE1/4NE1/4; NW1/4SW1/4

SEC. 29 S1/2SE1/4

SEC. 30 E1/2NW1/4; LOTS 1 & 2
SE1/4
SW1/4

SEC. 32, S1/2NE1/4, N1/2SE1/4, SW1/4

SEC. 36 N1/2NE1/4; SE1/4NE1/4; NW1/4; N1/2SW1/4; SE1/4SW1/4; W1/2SE1/4; SW1/4SW1/4;
SW1/4NE1/4

PARCEL 5:

(TOWNSHIP 32 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN)

SEC. 2 W1/2; W1/2NE1/4

SEC. 9 NE ¼

SEC. 10 ALL

SEC. 14 N1/2; N1/2S1/2; SW1/4SE1/4
SE1/4SE1/4

SW1/4SW1/4; SE1/4SW1/4, EXCEPT THE EAST 220 FEET

A PORTION OF SEC. 14 BEGINNING AT A POINT ON THE NORTH AND SOUTH CENTERLINE OF SEC. 14, T32S, R3E, WHICH POINT IS 880.0 FEET N OF S QUARTER CORNER OF THE SECTION (AND BEING THE NE CORNER OF TRACT DESCRIBED IN VOLUME 346 PAGE 35 OF DEED RECORDS OF JACKSON COUNTY, ORE.); THENCE NORTH 220.0 FEET TO THE SE CORNER OF TRACT DESCRIBED IN VOLUME 552 PAGE 117 DEED RECORDS, JACKSON COUNTY, OREGON; THENCE WEST, ALONG THE SOUTH LINE OF THE TRACT, 220.0 FEET; THENCE SOUTH 220.0 FEET TO THE NW CORNER OF THE TRACT DESCRIBED IN VOLUME 346 PAGE 35 DEED RECORDS, JACKSON COUNTY, OREGON; THENCE EAST, ALONG THE NORTH LINE OF TRACT, 220.0 FEET TO THE POINT OF BEGINNING.

A PORTION OF SEC. 14 BEGINNING AT A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 32 SOUTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN IN JACKSON COUNTY, OREGON; THAT IS NORTH 440.0 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE WEST 220.0 FEET; THENCE NORTH 220.0 FEET; THENCE EAST 220.0 FEET TO THE LINE OF SAID QUARTER QUARTER; THENCE SOUTH ALONG SAID LINE, 220.0 FEET TO THE POINT OF BEGINNING.

SEC. 24 ALL

SEC. 25 ALL

SEC. 26 ALL

SEC. 27 NE1/4; N1/2NW1/4; W1/2SW1/4NW1/4; NE1/4SE1/4; N1/2NW1/4SE1/4
THAT PORTION OF SE1/4SE1/4; SW1/4SE1/4; NW1/4SE1/4, DESCRIBED IN VOLUME 531 PAGE 204-18
DEED RECORDS, JACKSON COUNTY, OREGON.

SEC. 33 W1/2; W1/2NW1/4SE1/4; SE1/4NW1/4SE1/4; S1/2NE1/4SE1/4; S1/2SE1/4. EXCEPTING
PORTIONS DESCRIBED IN VOL 295 PG 137, VOL 309 PG 32, VOL 314 PG 466, VOL 329 PG 491, VOL 335
PG 484, VOL 341 PG 365 AND EXCEPT THAT PROPERTY DESCRIBED IN DOCUMENT NOS. 72-07169 AND
2008-016408, OFFICIAL RECORDS OF JACKSON COUNTY, OREGON.

SEC. 34 E1/2E1/2; E1/2NW1/4NE1/4; SW1/4NW1/4NE1/4; SW1/4NE1/4; S1/2SW1/4. EXCEPT A
PORTION DESCRIBED IN VOLUME 329 PAGE 491, DEED RECORDS JACKSON COUNTY, OREGON.

THAT PORTION OF W1/2SE1/4; N1/2SW1/4; SE1/4NW1/4 DESCRIBED IN VOLUME 531 PAGE 204-18,
DEED RECORDS JACKSON COUNTY, OREGON.

SEC. 36 ALL, LESS A STRIP IN SE1/4SE1/4 DESCRIBED IN VOLUME 147 PAGE 309-15, DEED RECORDS
JACKSON COUNTY, OREGON.

PARCEL 6:

(TOWNSHIP 32 SOUTH, RANGE 4 EAST, WILLAMETTE MERIDIAN)

SEC. 20 SE1/4SE1/4

SEC. 21 SW1/4SW1/4

SEC. 28 W1/2NW1/4

SEC. 29 SW1/4NE1/4; SE1/4NW1/4; W1/2SE1/4

SEC. 32 E1/2NE1/4

SEC. 33 W1/2NW1/2

PARCEL 7:

(TOWNSHIP 32 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN)

SEC. 12 E1/2

PARCEL 9:

(TOWNSHIP 32 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 36 N1/2 & LOTS 1-8
(TAX LOT 100)

PARCEL 10:

(TOWNSHIP 33 SOUTH, RANGE 1 EAST, WILLAMETTE MERIDIAN)

SEC. 3 E1/2NW1/4; W1/2NE1/4

SEC. 4 SW1/4SE1/4; E1/2SE1/4SW1/4

PARCEL 11:

(TOWNSHIP 33 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN)

SEC. 6 LOTS 2 & 3
SW1/4NE1/4; W1/2SE1/4; SE1/4SW1/4

PARCEL 12:

(TOWNSHIP 33 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN)

SEC. 1 LOTS 2, 3 & 4; SW1/4NE1/4; SE1/4NW1/4; NE1/4SW1/4; LESS PORTION DEEDED TO COPCO
VOLUME 147 PAGE 309-15 JACKSON COUNTY, OREGON, DEED RECORDS.

THAT PORTION OF NE1/4NE1/4 DESCRIBED IN VOLUME 531 PAGE 204-18, JACKSON COUNTY, OREGON
DEED RECORDS.

THAT PORTION OF SW1/4NW1/4 DESCRIBED IN VOLUME 531, PAGE 204-18, JACKSON COUNTY,
OREGON, DEED RECORDS.

NE1/4SE1/4 & ALL THAT PORTION OF THE SE1/4NE1/4 LYING S OF THE MIDDLE FORK OF ROGUE
RIVER.

SEC. 3 ALL. EXCEPT A RIGHT OF WAY IN VOLUME 147, PAGE 309-15 DEED RECORDS. EXCEPTING
PORTIONS DESCRIBED IN VOLUME 329 PAGE 491-5 AND DOCUMENT NO. 66-04549 EXCEPT THAT
PROPERTY DESCRIBED IN DOCUMENT NO. 72-12758 OFFICIAL RECORDS OF JACKSON COUNTY,
OREGON. THAT PORTION OF NW1/4NE1/4 DESCRIBED IN VOLUME 531 PAGE 204-18, JACKSON
COUNTY, OREGON, DEED RECORDS.

SEC. 4 GOVERNMENT LOT 1; S1/2NE1/4; SE1/4NW1/4
LOT 2, 3 & 4; SW1/4NW1/4; S1/2

SEC. 5 ALL

SEC. 8 ALL. EXCEPTING THAT PORTION LYING SOUTH OF CENTERLINE OF THE MIDDLE FORK OF THE
ROGUE RIVER.

SEC. 11 W1/2NE1/4; NW1/4; SW1/4SW1/4; N1/2SW1/4; THAT PORTION OF SE1/4SW1/4 LYING N. OF
S. FORK; THAT PORTION OF NE1/4SE1/4 LYING N. OF S. FORK; NW1/4SE1/4; THAT PORTION OF
SW1/4SE1/4 LYING N. OF S. FORK; THAT PORTION OF SE1/4SE1/4 LYING N. OF S. FORK.

THAT PORTION OF E1/2NE1/4 DESCRIBED IN VOLUME 531 PAGE 204-18, JACKSON COUNTY, OREGON,
DEED RECORDS.

SEC. 12 N1/2NE1/4; SE1/4NE1/4; NE1/4NW1/4; THAT PORTION OF NE1/4SW1/4 LYING N. OF S. FORK;
THAT PORTION OF NW1/4 SW1/4 LYING N. OF S. FORK OF ROGUE RIVER.

THAT PORTION OF N1/2SE1/4; SW1/4NE1/4; S1/2NW1/4 DESCRIBED IN VOLUME 531, PAGE 204-18,
JACKSON COUNTY, OREGON, DEED RECORDS.

THAT PORTION OF NW1/4NW1/4 DESCRIBED IN VOLUME 531 PAGE 204-18, JACKSON COUNTY,
OREGON, DEED RECORDS

SEC. 14 THAT PORTION OF NE1/4NW1/4 LYING NW OF S. FORK; THAT PORTION OF NW1/4NW1/4
LYING N. OF S. FORK.

PARCEL 14:

(TOWNSHIP 33 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN)

SEC. 16 N1/2;SE1/4;N1/2SW1/4;SE1/4SW1/4

PARCEL 15:

(TOWNSHIP 33 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN)

SEC. 10 ALL

SEC. 12 ALL. EXCEPT LOT 16

SEC. 14 ALL

SEC. 24 ALL

SEC. 26 NE1/4; E1/2NW1/4; SE1/4SW1/4; E1/2SE1/4; SW1/4SE1/4

PARCEL 16:

(TOWNSHIP 33 SOUTH, RANGE 3 WEST, WILLAMETTE MERIDIAN) SEC. 18 NE1/4
(TAX LOT 1700)

PARCEL 17:

(TOWNSHIP 33 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 2 ALL

SEC. 21 S1/2SW1/4; SW1/4SE1/4

SEC. 34 SW1/4; SE1/4

PARCEL 20:

(TOWNSHIP 34 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN)

SEC. 11

SE1/4SE1/4; SE1/4NE1/4SE1/4. EXCEPTING A PARCEL DESCRIBED IN OFFICIAL RECORDS NO. 66-11671, JACKSON COUNTY, OREGON.

SEC. 12 NW1/4; NW1/4NE1/4; W1/2SW1/4. EXCEPTING A PARCEL DESCRIBED IN OFFICIAL RECORDS NO. 66- 11671, JACKSON COUNTY, OREGON.

SEC. 13 NE1/4NW1/4

SEC. 14 E1/2W1/2
W1/2W1/2; SE1/4NE1/4; E1/2SE1/4; SW1/4SE1/4

SEC. 15 SE1/4NE1/4

SEC. 16 SW1/4NE1/4; NW1/4SE1/4

THAT PORTION OF THE E1/2 SW1/4 AND PORTION OF THE S1/2 SE1/4 NW1/4 MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE ¼ SECTION CORNER BETWEEN SECTIONS 16 AND 21; THENCE WEST 1093.0 FEET TO A PIPE MONUMENT; THENCE NORTH 9° EAST, 90.0 FEET; THENCE NORTH 38° EAST 130.0 FEET; THENCE NORTH 23° EAST 184.0 FEET; THENCE NORTH 15° WEST 83.0 FEET; THENCE NORTH 64° EAST 481.0 FEET; THENCE NORTH 8° EAST 600.0 FEET; THENCE NORTH 8° EAST 130.0 FEET; THENCE NORTH 51° EAST 256.0 FEET; THENCE NORTH 44° WEST 300.0 FEET; THENCE NORTH 44° WEST 187.0 FEET; THENCE NORTH 17° WEST 270.0 FEET; THENCE NORTH 36° WEST 208.0 FEET; THENCE NORTH 10° WEST 216.0 FEET; THENCE NORTH 01° EAST 182.0 FEET; THENCE NORTH 22° EAST 190.0 FEET; THENCE NORTH 35° EAST 292.0 FEET; THENCE NORTH 23° EAST 165.0 FEET; THENCE NORTH 2° WEST 27.0 FEET, MORE OR LESS TO THE NORTH LINE OF THE S1/2 SE1/4 NW1/4 SECTION 16; THENCE EAST 424.0 FEET, MORE OR LESS ALONG THE NORTH LINE TO THE NORTH AND SOUTH CENTERLINE OF SECTION 16; THENCE SOUTH 3300.0 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

NE1/4 SE1/4; S1/2 SE1/4

LESS AND EXCEPT: DEED MERIWETHER SOUTHERN OREGON LAND AND TIMBER, LLC TO LAMINORA PROPERTIES, INC., RECORDED 3/16/2012 AS INSTRUMENT NO. 2012-008058, DESCRIBED AS FOLLOWS: MEADOWS SCHOOL-S083 BEGINNING AT A QUARTER SECTION CORNER COMMON TO SECTIONS 16 AND 21, TOWNSHIP 34 SOUTH, RANGE 2 WEST OF THE WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON; THENCE ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 16, NORTH 0° 22' 20" WEST (RECORD=NORTH), 1316.87 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST

QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID QUARTER-QUARTER, NORTH 89° 55' 42" WEST, 418.81 FEET TO INTERSECT THE WESTERLY BOUNDARY OF TRACT DESCRIBED IN VOLUME 553, PAGE 35, DEED RECORDS, JACKSON COUNTY, OREGON, AS LOCATED ON SURVEY NO. 9582 IN THE COUNTY SURVEYOR'S OFFICE; THENCE ALONG SAID TRACT BOUNDARY AS LOCATED ON SAID SURVEY NO. 9582 AS FOLLOWS: SOUTH 7° 47' 25" WEST (RECORD=SOUTH 8° WEST), 687.47 FEET; THENCE SOUTH 63° 47' 38" WEST, 478.67 FEET (RECORD=SOUTH 64° WEST 481.0 FEET); THENCE SOUTH 15° 24' 38" EAST 83.04 FEET (RECORD=SOUTH 15° EAST, 83.0 FEET); THENCE SOUTH 22°37' 54" WEST, 183.50 FEET (RECORD=SOUTH 23° WEST, 184.0 FEET); THENCE SOUTH 37° 40' 49" WEST, 129.52 FEET (RECORD SOUTH 38° WEST, 130.0 FEET); THENCE SOUTH 8° 36' 7" WEST, 76.90 FEET TO INTERSECT THE SOUTHERLY BOUNDARY OF SAID SECTION 16; THENCE ALONG SAID SECTION 16 BOUNDARY, NORTH 89° 50' 11" EAST, 1089.24 FEET (RECORD=1093.0 FEET) TO THE POINT OF BEGINNING.

SEC. 24 NE1/4SW1/4; NE1/4NW1/4; W1/2W1/2
NE1/4NE1/4; S1/2NE1/4; SE1/4NW1/4; SE1/4SW1/4;SE1/4

SEC. 32 NE1/4SW1/4; S1/2SW1/4; SW1/4SE1/4. EXCEPTING THAT PORTION OF THE S1/2SW1/4 DESCRIBED IN VOL 241 PG 275, DEED RECORDS, JACKSON COUNTY, OREGON.

LESS AND EXCEPT:

DEED: MERIWETHER SOUTHERN OREGON LAND AND TIMBER, LLC TO LAMINORA PROPERTIES. INC.. RECORDED 3/16/2012 AS INSTRUMENT NO. 2012-008058, DESCRIBED AS FOLLOWS: RAMSEY CANYON-S075 COMMENCING AT THE CORNER COMMON TO SECTIONS 31 AND 32, TOWNSHIP 34 SOUTH, RANGE 2 WEST AND SECTIONS 5 AND 6, TOWNSHIP 35 SOUTH, RANGE 2 WEST OF THE WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON; THENCE ALONG THE WESTERLY BOUNDARY OF SAID SECTION 32, NORTH 0°25'34" WEST 498.28 FEET TO A 5/8 INCH REBAR WITH PLASTIC CAP SET FOR THE TRUE POINT OF BEGINNING; THENCE ON A LINE PARALLEL WITH THE NORTHERLY BOUNDARY OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, SOUTH 89° 42' 14" EAST; 751.37 FEET TO A 5/8 INCH REBAR WITH PLASTIC CAP SET ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF RAMSEY ROAD; THENCE ALONG SAID ROAD LINE AS FOLLOWS: NORTH 38° 37' 00" WEST 34.74 FEET; THENCE 164.53 FEET ALONG THE ARC OF A 400 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS NORTH 50° 24' 00" WEST, 163.37 FEET); THENCE NORTH 62°11'00" WEST, 76.73 FEET; THENCE 271.72 FEET ALONG THE ARC OF A 220 FOOT RADIUS CURVE TO THE RIGHT (LONG CHORD BEARS NORTH 26° 48' 00" WEST, 254.78 FEET); THENCE NORTH 8° 35' 00" EAST, 123.45 FEET; THENCE 310.10 FEET ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS NORTH 11°09' 30" WEST, 304 FEET); THENCE NORTH 30° 54' 00" WEST, 18.64 FEET TO INTERSECT THE NORTHERLY BOUNDARY OF SAID QUARTER-QUARTER SECTION AT A 5/8 INCH REBAR WITH PLASTIC CAP SET; THENCE LEAVING SAID ROAD LINE AND RUNNING ALONG SAID NORTHERLY BOUNDARY, NORTH 89° 42' 14" WEST, 377.25 FEET TO THE NORTHWEST CORNER THEREOF; THENCE ALONG THE SAID WESTERLY BOUNDARY OF SECTION 32, SOUTH 0°25' 34" EAST, 828.91 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 22:

(TOWNSHIP 34 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 3 SE1/4SW1/4; SW1/4SE1/4

SEC. 8 N1/2; N1/2SW1/4; SE1/4SW1/4; SE1/4

SEC. 10 NW1/4NE1/4; NE1/4NW1/4

SEC. 20 S1/2; NW1/4. EXCEPTING THEREFROM THE FOLLOWING DESCRIBED TRACT: COMMENCING AT

THE NORTHWEST CORNER OF SECTION 20, TOWNSHIP 34 SOUTH, RANGE 4 WEST OF THE WILLAMETTE MERIDIAN IN JACKSON COUNTY, OREGON; AND RUNNING THENCE EAST 10 CHAINS, MORE OR LESS, TO THE CENTER OF THE STATE BOARD OF FORESTRY ROAD FOR THE TRUE POINT OF BEGINNING; THENCE EAST 10 CHAINS; THENCE SOUTH 15 CHAINS; THENCE EAST 2 CHAINS; THENCE SOUTH 15 CHAINS; THENCE WEST 11 CHAINS, MORE OR LESS, TO THE CENTER OF SAID ROAD; THENCE NORTHERLY ALONG THE CENTERLINE OF SAID ROAD TO THE TRUE POINT OF BEGINNING.

SEC. 21 S1/2SW1/4; NE1/4SW1/4

PARCEL 25:

(TOWNSHIP 35 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN)

SEC. 5 N1/2NE1/4; N1/2SW1/4; SW1/4SW1/4. EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DOCUMENT NO. 96-03339, OFFICIAL RECORDS OF JACKSON COUNTY, OREGON.

SEC. 6 NE1/4NE1/4. EXCEPTING A PORTION DESCRIBED IN VOL 252 PG 513 W1/2NW1/4. EXCEPTING A PORTION IN VOL 243 PG 68

E1/2NW1/4; NW1/4NE1/4; S1/2NE1/4; N1/2SE1/4; SE1/4SE1/4. EXCEPTING THAT PORTION IN VOL 243 PG 68, DEED RECORDS, JACKSON COUNTY, OREGON.

PARCEL 26:

(TOWNSHIP 35 SOUTH, RANGE 3 WEST, WILLAMETTE MERIDIAN)

SEC. 8 E1/2; SE1/4SW1/4. EXCEPTING A PIECE IN THE SW1/4NE1/4 DESCRIBED IN VOL 388 PG 70, DEED RECORDS, JACKSON COUNTY, OREGON.

SE1/4NW1/4; N1/2SW1/4; SW1/4SW1/4. EXCEPTING THAT PORTION OF THE W1/2 OF SEC. 8 DESCRIBED IN VOL 397 PG 11-12, DEED RECORDS, JACKSON COUNTY, OREGON.

SEC. 9 N1/2NW1/4; NW1/4NE1/4

SEC. 30 SW1/4NW1/4; S1/2SE1/4; E1/2SW1/4; GOVT. LOTS 1, 2, 3 & 4; THAT FRACTIONAL PORTION OF THE NW1/4NW1/4 AND NW1/4SE1/4 DESCRIBED IN VOL 491 PAGE 468, DEED RECORDS, JACKSON COUNTY, OREGON.

PARCEL 27:

(TOWNSHIP 35 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 25 NE1/4

SEC. 30 N1/2NW1/4. EXCEPTING ALL WATER AND MINERAL RIGHTS AND RIGHTS OF WAY THEREIN FOR DITCHES OR CANALS CONSTRUCTED BY AUTHORITY OF THE UNITED STATES OF AMERICA AND RESERVED IN THE UNITED STATES PATENT RECORDED IN VOLUME 79, PAGE 68 OF THE DEED OF RECORDS OF JACKSON COUNTY, OREGON, AND EXCEPTING THEREFROM THAT PART OF SAID LAND LYING WITHIN PUBLIC ROADS, RESERVED IN DEED RECORDED OCTOBER 29, 1953, IN VOLUME 386, PAGE 468, OF THE DEED RECORDS OF JACKSON COUNTY, OREGON.

PARCEL 29:

(TOWNSHIP 36 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN)

SEC. 18 LOTS 1 THROUGH 4; E1/2W1/2

SEC. 19 LOTS 1 THROUGH 4; E1/2W1/2

PARCEL 30:

(TOWNSHIP 36 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 6 LOTS 3 THROUGH 7; E1/2 SW1/4; SE1/4; SE1/4 NW1/4

PARCEL 31:

(TOWNSHIP 37 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN)

SEC. 36 ALL

PARCEL 32:

(TOWNSHIP 37 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN)

SEC. 36 ALL

(TAX LOT 4000)

PARCEL 34:

(TOWNSHIP 37 SOUTH, RANGE 3 WEST, WILLAMETTE MERIDIAN)

SEC. 22 E1/2W1/2; W1/2SE1/4; W1/2SE1/4SE1/4; SW1/4NE1/4

SEC. 28 N1/2; N1/2S1/2

SEC. 30 N1/2; NE1/4SW1/4; N1/2SE1/4; SE1/4SE1/4

PARCEL 36:

(TOWNSHIP 38 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN)

SEC. 2 LOTS 1, 2, 3, 4; N1/2SW1/4NW1/4; S1/2NE1/4

PARCEL 38:

(TOWNSHIP 38 SOUTH, RANGE 4 EAST, WILLAMETTE MERIDIAN)

SEC. 16 ALL

SEC. 28 ALL

SEC. 34 W1/2W1/2

PARCEL 45:

(TOWNSHIP 39 SOUTH, RANGE 4 EAST, WILLAMETTE MERIDIAN)

SEC. 4 ALL. EXCEPT THE E1/2E1/2

SEC. 8 ALL. EXCEPT PORTION CONVEY TO UNITED STATES OF AMERICA BY DEED RECORDED IN VOLUME 465, PAGE 90, JACKSON COUNTY, OREGON, DEED RECORDS.

PARCEL 46:

(TOWNSHIP 39 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN)

SEC. 14 SW1/4

SEC. 19 NW1/4SE1/4

SEC. 26 SW1/4NW1/4

SEC. 27 N1/2NE1/4; SW1/4NE1/4 SE1/4NE1/4; N1/2SE1/4; SE1/4SE1/4 S1/2SW1/4; SW1/4SE1/4; NE1/4SW1/4

PARCEL 48:

(TOWNSHIP 39 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 36 ALL

(TAX LOT 3200)

PARCEL 53:

(TOWNSHIP 40 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN)

SEC. 6 SW1/4NE1/4; SE1/4NW1/4;
N1/2N1/2SE1/4; LOTS 3, 4 & 5

SEC. 8 N1/2

PARCEL 58:

(TOWNSHIP 41 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN)

SEC. 18 LOTS 1 THROUGH 4; NE1/4NW1/4

(TAX LOT 3800)

PARCEL 59: (39S 02W)

THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 SOUTH, RANGE 2 WEST, WILLAMEITE MERIDIAN, JACKSON COUNTY, OREGON. (TL 2401)

PARCEL 60:

THE SOUTH HALF OF SECTION 12, TOWNSHIP 35 SOUTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON.
(35 1E TL 5200)

PARCEL 62:

THE EAST HALF OF THE WEST HALF OF SECTION 35, TOWNSHIP 38 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON.
(38 3E TL 7500)

PARCEL 63:

THE EAST HALF OF THE NORTHEAST QUARTER AND THE EAST HALF OF THE SOUTHEAST QUARTER IN SECTION 2, TOWNSHIP 38 SOUTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON. (38 4E TL 500)

PARCEL 65:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 39 SOUTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN IN JACKSON COUNTY, OREGON.
(39 3E 01 TL 102)

PARCEL 66:

COMMENCING AT THE CORNER COMMON TO SECTIONS 31 AND 32, TOWNSHIP 34 SOUTH, RANGE 2 WEST AND SECTIONS 5 AND 6, TOWNSHIP 35 SOUTH, RANGE 2 WEST OF THE WILLAMETTE MERIDIAN IN JACKSON COUNTY, OREGON; THENCE ALONG THE WESTERLY BOUNDARY OF SAID SECTION 32, NORTH 0° 25' 34" WEST, 498.28 FEET TO A 5/8" REBAR WITH PLASTIC CAP SET FOR THE TRUE POINT OF BEGINNING; THENCE ON A LINE PARALLEL WITH THE NORTHERLY BOUNDARY OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 32, SOUTH 89° 42' 14" EAST, 751.37 FEET TO A 5/8" REBAR WITH PLASTIC CAP SET ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF RAMSEY ROAD; THENCE ALONG SAID ROAD LINE AS FOLLOWS, NORTH 38° 37' 00" WEST, 34.74 FEET, THENCE 164.53 FEET ALONG THE ARC OF A 400.00 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS NORTH 50° 24' 00" WEST, 163.37 FEET); THENCE NORTH 62° 11' 00" WEST, 76.73 FEET, THENCE 271.72 FEET ALONG THE ARC OF A 220.00 FOOT RADIUS CURVE TO THE RIGHT (LONG CHORD BEARS NORTH 26° 48' 00" WEST, 254.78 FEET), THENCE NORTH 8° 35' 00" EAST, 123.45 FEET; THENCE 310.10 FEET ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS NORTH 11° 09' 30" WEST, 304.00 FEET); THENCE NORTH 30° 54' 00" WEST, 18.64 FEET TO INTERSECT THE NORTHERLY BOUNDARY OF SAID QUARTER-QUARTER SECTION AT A 5/8" REBAR WITH PLASTIC CAP SET; THENCE LEAVING SAID ROAD LINE AND RUNNING ALONG SAID NORTHERLY BOUNDARY, NORTH 89° 42' 14" WEST, 377.25 FEET TO THE NORTHWEST CORNER THEREOF; THENCE ALONG THE SAID WESTERLY BOUNDARY OF SECTION 32, SOUTH 0° 25' 34" EAST, 828.91 FEET TO THE TRUE POINT OF BEGINNING.

(34-2W-32 TL 2200)

PARCEL 67:

BEGINNING AT A QUARTER SECTION CORNER COMMON TO SECTIONS 16 AND 21, TOWNSHIP 34 SOUTH, RANGE 2 WEST OF THE WILLAMETTE MERIDIAN IN JACKSON COUNTY, OREGON; THENCE

ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 16, NORTH 0° 22' 20" WEST (RECORD = NORTH), 1316.87 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID QUARTER-QUARTER, NORTH 89° 55' 42" WEST, 418.81 FEET TO INTERSECT THE WESTERLY BOUNDARY OF TRACT DESCRIBED IN VOLUME 553, PAGE 35 OF DEED RECORDS OF SAID COUNTY; AS LOCATED ON FILED SURVEY NO. 9582 AT THE COUNTY SURVEYORS OFFICE; THENCE ALONG SAID TRACT BOUNDARY AS LOCATED ON SAID FILED SURVEY NO. 9582 AS FOLLOWS: SOUTH 7° 47' 25" WEST (RECORD = SOUTH 8" WEST); 687.47 FEET, THENCE SOUTH 63° 47' 38" WEST, 478.67 FEET (RECORD = SOUTH 64° WEST, 481.0 FEET); THENCE SOUTH 15° 24' 38" EAST, 83.04 FEET (RECORD = SOUTH 15' EAST, 83.0 FEET); THENCE SOUTH 22° 37' 54" WEST, 183.50 FEET (RECORD = SOUTH 23" WEST, 184.0 FEET); THENCE SOUTH 37° 40' 49" WEST, 129.52 FEET (RECORD = SOUTH 38° WEST, 130.0 FEET); THENCE SOUTH 8° 36' 07" WEST, 76.90 FEET TO INTERSECT THE SOUTHERLY BOUNDARY OF SAID SECTION 16, THENCE A LONG SAID SECTION 16 BOUNDARY, NORTH 89° 50' 11" EAST, 1089.24 FEET (RECORD = 1093.0 FEET) TO THE POINT OF BEGINNING.

AFFECTS ALL JACKSON COUNTY PARCELS:

TOGETHER WITH THOSE RIGHTS CONTAINED IN AMENDED AND RESTATED RECIPROCAL EASEMENT AGREEMENT RECORDED MARCH 26, 2014 AS INSTRUMENT NO. 2014-007049, AS MODIFIED BY FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT RECORDED OCTOBER 20, 2014 AS INSTRUMENT NO. 2014-027734 OF OFFICIAL RECORDS.

ALSO TOGETHER WITH THOSE RIGHTS CONTAINED IN RECIPROCAL ACCESS EASEMENT AGREEMENT RECORDED AUGUST 6, 2012 AS INSTRUMENT NO. 2012-026140 OF OFFICIAL RECORDS.

JOSEPHINE COUNTY TRACT:

PARCEL 1:

THE SOUTH HALF OF THE SOUTHWEST QUARTER, AND THE WEST HALF OF THE SOUTHEAST QUARTER IN SECTION 12, TOWNSHIP 35 SOUTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 2:

THE NORTH HALF, AND THE EAST HALF OF THE SOUTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 35 SOUTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 3:

ALL OF SECTION 12, TOWNSHIP 34 SOUTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 4:

THE EAST HALF OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 37 SOUTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 5:

GOVERNMENT LOTS 2, 3 AND 4; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE

SOUTH HALF OF THE NORTHWEST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER; AND THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 39 SOUTH, RANGE 6 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 6:

THE WEST HALF OF THE EAST HALF OF SECTION 8, TOWNSHIP 39 SOUTH, RANGE 6 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 7:

ALL OF SECTION 10, TOWNSHIP 39 SOUTH, RANGE 6 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

PARCEL 8:

THE WEST HALF OF THE NORTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 36 SOUTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, JOSEPHINE COUNTY, OREGON.

AFFECTS ALL JOSEPHINE COUNTY PARCELS:

TOGETHER WITH THOSE RIGHTS CONTAINED IN AMENDED AND RESTATED RECIPROCAL EASEMENT AGREEMENT RECORDED MARCH 26, 2014 AS INSTRUMENT NO. 2014-002769, AS MODIFIED BY FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT RECORDED OCTOBER 20, 2014 AS INSTRUMENT NO. 2014-011143 OF OFFICIAL RECORDS.

KLAMATH COUNTY TRACT:

TOWNSHIP 40 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON:

SECTION 20: SOUTH HALF OF SOUTH HALF

SECTION 30: ALL

SECTION 32: ALL

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 38 SOUTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

THE NORTH ONE-HALF OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 38 SOUTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

AFFECTS ALL KLAMATH COUNTY PARCELS:

TOGETHER WITH THOSE RIGHTS CONTAINED IN AMENDED AND RESTATED RECIPROCAL EASEMENT AGREEMENT RECORDED MARCH 26, 2014 AS INSTRUMENT NO. 2014-002624, AS MODIFIED BY FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT RECORDED OCTOBER 20, 2014 AS INSTRUMENT NO. 2014-10977 OF OFFICIAL RECORDS.