

**RECORDING REQUESTED BY:**

**AMERITITLE, LLC.**

**WHEN RECORDED MAIL TO:**

**FIDELITY MORTGAGE LENDERS, INC.  
11952 WILSHIRE BOULEVARD  
LOS ANGELES, CA 90025**

**Title Order No: 566776AM**

**A.P.N.: 3809-032AB-05900**

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**INSTRUCTIONS TO RECORDER:**

Index this document as (i) a deed of trust; (ii) a security agreement; (iii) an assignment of rents and (iv) a fixture filing.

Loan No.: **SC 12110-H**

**DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES  
AND RENTS AND FIXTURE FILING**

**THIS IS A FIRST DEED OF TRUST**

**Statutory Notice:**

- A. The address of the entity holding a Lien or other interest created by this Instrument is:

**FIDELITY MORTGAGE LENDERS, INC.,  
11952 Wilshire Boulevard,  
Los Angeles, CA 90025**

- B. The tax account number(s) of the Property subject to the Lien or in which the interest is created:

**412770**

In the event of any conflict between the description of the real property included in this deed of trust and the foregoing tax account numbers, the description in the deed of trust will control.

THIS DOCUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE WITH THE OREGON COMMERCIAL CODE.

NOTICE: THE NOTE SECURED BY THIS DEED OF TRUST CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND PAYMENT RATE.

This DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Deed of Trust") is made as of this 20th day of October 2022 by VIRENDER KUMAR, A SINGLE MAN, as Trustor ("Borrower"), whose mailing address is 522 MCCOURT STREET, KLAMATH FALLS, OR 97601, to PROPERTY GUARANTEE COMPANY, INC., a California Corporation ("Trustee"), whose mailing address is 11952 Wilshire Boulevard, Los Angeles, CA 90025, for the benefit of DRIEKUS RIETVELD AND NELLY C. RIETVELD, HUSBAND AND WIFE AS TRUSTEES OF THE RIETVELD FAMILY LIVING TRUST DATED 7/22/1995 ("Lender"), whose mailing address is C/O FIDELITY MORTGAGE LENDERS, INC., 11952 Wilshire Boulevard, Los Angeles, CA 90025.

### RECITALS

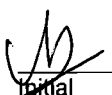
A. Lender has agreed, subject to the terms and conditions of certain Escrow Instructions dated as of OCTOBER 20, 2022, by and between Borrower and Lender (the "Loan Agreement"), to make a loan (the "Loan") to Borrower. The Loan is evidenced by that certain Promissory Note executed by Borrower, as Maker, in favor of Lender, as Holder, dated as of OCTOBER 20, 2022, in the original principal amount of ONE HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS (\$120,000.00) (which note, together with all notes issued in substitution or exchange therefore and all amendments thereto, is hereinafter referred to as the ("Note")), providing for monthly payments as set forth in the Note, with the balance thereof, due and payable on NOVEMBER 10, 2032. (Said date, any later date to which the maturity date may be extended in accordance with the Note, or any earlier date on which the entire unpaid principal amount shall be required to be paid in full, whether by prepayment, acceleration or otherwise is hereinafter called the "Maturity Date". The terms and provisions of the Escrow Instructions and Note are hereby incorporated by reference in this Deed of Trust.

B. Lender desires to secure (i) the prompt payment of the Note, together with all interest, premiums, and other amounts, if any, due in accordance with the terms of the Note, as well as the prompt payment of any additional indebtedness accruing to Lender on account of any future payments, advances or expenditures made by Lender pursuant to the Note or the Escrow Instructions executed by Borrower in favor of Lender in connection with the Loan, this Deed of Trust or any other agreement, document, or instrument securing the payment of the indebtedness evidenced by the Note (such documents together with any modifications, renewals, extensions or replacements thereof, are hereinafter collectively referred to as (the "Loan Documents"); (ii) the prompt performance of each and every covenant, condition, and agreement contained in the Loan Documents; and (iii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and indebtedness of any kind or nature now or hereafter owing, arising, due or payable from Borrower, when the document evidencing the same specifically recites that it is intended to be secured hereby. Liability for and payment of "Unsecured Environmental Costs" (defined in Section 20(h) below) shall not be secured by this Deed of Trust. All payment obligations of Borrower to Lender are hereinafter sometimes collectively referred to as (the "Indebtedness") and all other obligations of Borrower to Lender are hereinafter sometimes collectively referred to as (the "Obligations").

**NOW, THEREFORE, TO SECURE** the repayment of the Indebtedness and the performance of the Obligations, Borrower has executed this Deed of Trust and does hereby irrevocably grant, transfer, set over, convey and assign, to Trustee, **IN TRUST, WITH THE POWER OF SALE**, and right of entry and possession, under and subject to the terms and conditions hereof, for the benefit and security of Lender, Borrower's interest in all of the following described property and all proceeds thereof (which property is hereinafter sometimes collectively referred to as the "Property"):

A. The real estate commonly known as: 617 MAIN STREET, KLAMATH FALLS, OR 97601, County of KLAMATH, State of OREGON, as more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Land");

B. All of the following (collectively, the "Improvements"): all buildings, improvements and fixtures of every kind or nature situated on the Land; to the extent not owned by tenants of the Property, all machinery, appliances, equipment, and all other personal property of every kind or nature attached to, or used or to be used in connection with the Land, buildings, structures, improvements or fixtures; all building

  
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materials and goods procured for use or in connection with the foregoing; and all additions, substitutions and replacements to any of the foregoing;

C. To the extent assignable, all plans, specifications, architectural renderings, drawings, soil test reports, or other reports of examination or analysis of the Land or the Improvements;

D. All easements, rights-of-way, water courses, water rights, air rights and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto ("**Appurtenances**");

E. All agreements affecting the use, enjoyment or occupancy of the Land and/or Improvements now or hereafter entered into (the "**Leases**") and all rents, prepayments, termination payments, royalties, profits, issues and revenues from the Land and/or Improvements from time to time accruing under the Leases (the "**Rents**"), reserving to Borrower, however, so long as no "**Event of Default**" (hereinafter defined) has occurred hereunder, a revocable license to receive and apply the Rents in accordance with the terms and conditions of Section 12 of this Deed of Trust;

F. All claims, demands, judgments, insurance proceeds, tax refunds, rights of action. Awards of damages, compensation, and settlements hereafter made resulting from or relating to (i) the taking of the Land or Improvements or any part thereof under the power of eminent domain, (ii) any damage (whether caused by such taking, by casualty or otherwise) to the Land, Improvements or Appurtenances or any part thereof, or (iii) the ownership or operation of the Property;

G. To the extent assignable, all management contracts, permits, certificates, licenses, approvals, contracts, entitlements and authorizations, however characterized, issued or in any way furnished for the acquisition, construction, development, operation and use of the Land, Improvements and/or Leases, including building permits, environmental certificates, licenses, certificates of operation, warranties and guaranties;

H. All accounts, contract rights, general intangibles, chattel paper, documents, instruments, inventory, goods, equipment and all books and records relating to the foregoing;

I. Any monies on deposit with or for the benefit of Lender, including deposits for the payment of real estate taxes;

J. All refunds, rebates, reimbursements, reserves, deferred payments, deposits, cost savings, governmental subsidy payments, governmentally registered credits (such as emissions reduction credits), other credits, waivers and payments, whether in cash or in kind, due from or payable by (i) any federal, state, municipal or other governmental or quasi governmental agency, authority or district (a "**Governmental Agency**") or (ii) any insurance or utility company relating to any or all of the Property or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development or rehabilitation of the Property;

K. All refunds, rebates, reimbursements, credits and payments of any kind due from or payable by any Governmental Agency for any taxes, special taxes, assessments, or similar governmental or quasi-governmental charges or levies imposed upon Borrower with respect to the Property or upon any or all of the Property or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development or rehabilitation of the Property; and

L. All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements or Appurtenances or any other property of the types described in the preceding granting clauses; and

M. Any and all after acquired right, title or interest of Borrower in and to any property of the types described in the preceding granting clauses.

  
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**TO HAVE AND TO HOLD** the Property and all parts thereof, together with the rents, issues, profits and proceeds thereof, unto Trustee, its successors, substitutes and assigns, forever, subject, however, to the terms, covenants, and conditions herein.

Borrower covenants and agrees with Lender as follows:

1. Payment of Indebtedness: Performance of Obligations. Borrower shall promptly pay in U. S. currency when due the Indebtedness and shall promptly perform all Obligations. If any check or other instrument received by Lender as payment is returned to Lender unpaid, Lender may require that any or all subsequent payments be made in the form of (a) cash; (b) money order; (c) cashier's check drawn on an institution whose deposits are insured by a federal agency; or (d) electronic funds transfer, as selected by Lender.

2. Taxes and Other Obligations. Borrower shall pay when due, and before any interest, collection fees or penalties shall accrue, all taxes, assessments, fines, impositions and other charges and obligations, which may become a lien on or charge against Property (collectively "**Charges**"). Borrower shall have the right to contest, in good faith by appropriate proceedings, the amount or validity of any such Charges, so long as: (a) Borrower has given prior written notice to Lender of Borrower's intent to so contest or object to any such Charges; (b) such contest stays the enforcement or collection of the Charges or any lien created; and (c) Borrower has obtained an endorsement, in form and substance satisfactory to Lender, to the loan policy of title insurance issued to Lender, or if Borrower has deposited with Lender a bond or other security satisfactory to Lender in the amount determined by Lender to be equal to the Charges alleged to be owed, penalties which may become due and interest which may accrue for the period of the contest.

Should Borrower fail to make any of such payments, Lender may, at its option and at the expense of Borrower, pay the amounts due for the account of Borrower. Upon the request of Lender, Borrower shall immediately furnish to Lender all notices of amounts due and receipts evidencing payment. Borrower shall promptly notify Lender of any lien on all or any part of the Property and shall discharge any unpermitted lien or encumbrance within twenty (20) days after such lien or encumbrance is recorded.

3. Use of Property. Unless required by applicable law, Borrower shall not permit any material change in the use of any part of the Property from the use existing at the time this Deed of Trust was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

4. Insurance and Condemnation.

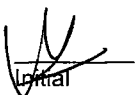
(a) Insurance.

(i) Borrower shall keep the Improvements insured, and shall maintain general liability coverage and such other coverage reasonably requested by Lender (except for earthquake coverage), by carrier(s), in amounts and in form at all times the insurance company providing coverage must have a B+ rating or better in the latest edition of A.M. Best Insurance Guide, must be licensed in the State in which the Property is located, and must be licensed to transact the line of insurance required in this transaction, amounts and form shall not be changed without the prior written consent of Lender. Each policy will contain a standard waiver of subrogation and a replacement cost endorsement and will provide that Lender will receive not less than thirty (30) days prior notice of any cancellation, termination or non-renewal of a policy or any material change, and that Lender will be named under a standard mortgage endorsement as loss payee.

**LENDER'S LOSS PAYABLE ENDORSEMENT 438 BFU TO BE AFFIXED IN FAVOR OF:**

**FIDELITY MORTGAGE LENDERS, INC.**

**FBO (LENDER'S NAMES)**

  
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11952 WILSHIRE BOULEVARD

LOS ANGELES, CA 90025

(ii) If Borrower obtains earthquake, flood or any other hazard insurance, or any other insurance on the Property and such insurance, then whether or not such insurance is specifically required by Lender, such insurance shall name Lender under a standard mortgage endorsement as loss payee and be subject to all of the provisions of this Paragraph 4.

(iii) In case of loss or damage by fire or other casualty, Borrower shall give immediate written notice thereof to the insurance carrier(s) and to Lender. Lender is authorized and empowered, and Borrower hereby irrevocably appoints Lender as its attorney in fact (such appointment is coupled with an interest), at its option, to make or file proofs of loss or damage and to settle and adjust any claim under insurance policies which insure against such risks, or to direct Borrower, in writing, to agree with the insurance carrier(s) on the amount to be paid in regard to such loss.

(iv) If Borrower fails to maintain any of the insurance coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 4(a)(iv) shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the default rate under the Note from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

(v) Provided that neither an Event of Default nor a default which with notice or the lapse of time or both would become an Event of Default then exists and Borrower certifies as to same, the net insurance proceeds (after deduction of Lender's reasonable costs and expenses, if any, in collecting the same) shall be made available for the restoration or repair of the Property if, in Lender's reasonable judgment: (a) restoration or repair and the continued operation of the Property is economically feasible; (b) the value of Lender's security is not reduced; (c) Borrower deposits with Lender from time to time an amount, in cash, which Lender, in its sole, but reasonable discretion, determines is necessary, in addition to the net insurance proceeds to pay in full the cost of the restoration or repair (Borrower's deposit shall be disbursed prior to any disbursement of insurance proceeds held by Lender). Any excess proceeds remaining after completion of such repair shall be distributed first to Borrower to the extent Borrower has deposited funds with Lender for such repair with the balance applied against the Indebtedness. Notwithstanding the foregoing, it shall be a condition precedent to any disbursement of insurance proceeds held by Lender hereunder that Lender shall have approved (d) all plans and specifications for any proposed repair or restoration, (e) the construction schedule and (f) the architect's and general contractor's contract for all restoration. Lender may establish other conditions it deems reasonably necessary to assure the work is fully completed in a good and workmanlike manner free of all liens or claims by reason thereof, and in compliance with all applicable laws, rules and regulations. At Lender's option, the net insurance proceeds shall be disbursed pursuant to a construction escrow acceptable to Lender. If an Event of Default or a default which with notice or the lapse of time or both would become an Event of Default then exists, or any of the conditions set forth in clauses (a) through (f) of this Section 4(a)(v) have not been met or satisfied, the net insurance proceeds shall be applied to the Indebtedness in such order and manner as Lender may elect, whether or not due and payable, with any excess paid to Borrower.

(b) Condemnation.

(i) Borrower shall, within three (3) business days of its receipt of notice thereof, notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct

  
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or indirect, of the Property, or part thereof, and Borrower shall, after consultation with and subject to Lender's approval, appear in and prosecute any such action or proceeding. Upon Borrower's failure to act in accordance with Lender's prior approval, Borrower authorizes Lender, at Lender's option, as attorney in fact for Borrower (such appointment as attorney in fact is coupled with an interest), to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyances in lieu of condemnation are hereby assigned to and shall be paid to Lender in accordance with the provisions of Section 4(b)(ii) below. Lender is authorized (but is under no obligation) to collect any such proceeds.

(ii) Lender may, in its sole discretion, elect to (a) apply the net proceeds of any condemnation award (after deduction of Lender's reasonable costs and expenses, if any, in collecting the same) in reduction of the Indebtedness in such order and manner as Lender may elect, whether due or not (b) make the proceeds available to Borrower for the restoration or repair of the Property. Any implied covenant in this Deed of Trust restricting the right of Lender to make such an election is waived by Borrower. In addition, Borrower hereby waives the provisions of any law prohibiting Lender from making such an election. If the net proceeds of the condemnation award are made available to Borrower for restoration or repair, the net proceeds of the condemnation award shall be disbursed upon satisfaction of and in accordance with the terms and conditions set forth in the Section 4(a)(v) above.

(c) Assignment of Proceeds. Borrower hereby absolutely and irrevocably assigns to Lender, and authorizes the payor to pay to Lender, the following claims, causes of action, awards, payments and right to payment:

(i) All awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it; and

(ii) All other awards, claims and causes of action, arising out of any warranty affecting all or any part of the Property, or for damage or injury to or decrease in value of all or part of the Property or any interest in it; and

(iii) All proceeds of any insurance policies payable because of damage or loss sustained to all or part of the Property, whether such policies are required under the Loan Documents or otherwise maintained by Borrower; and

(iv) All interest which may accrue on any of the foregoing.

5. Preservation and Maintenance of Property. Borrower shall: (a) not commit waste or permit impairment or deterioration of the Property; (b) not abandon the Property; (c) keep the Property in good repair and restore or repair promptly, in a good and workmanlike manner, all or any part of the Property to the equivalent of its original condition upon any damage or loss thereto; (d) comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property; (e) provide for management of the Property by a property manager reasonably satisfactory to Lender pursuant to a contract in form and substance reasonably satisfactory to Lender (which property manager may be Borrower itself); and (f) give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security granted by the Loan Documents or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any Improvement on the Land except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind and upon Lender's written approval, which shall not be unreasonably withheld.

6. Protection of Lender's Security. If (a) Borrower fails to pay the Indebtedness or to perform the Obligations, (b) any action or proceeding is commenced which affects or could affect the Property

  
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or Lender's interest therein, including any loss, damage, cost, expense or liability incurred by Lender with respect to (i) any environmental matters relating to the Property or (ii) the preparation of the commencement or defense of any action or proceeding or any threatened action or proceeding affecting the Loan Documents or the Property, then Lender, at Lender's option, may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect the Property or Lender's interest therein, including entry upon the Property to take such actions Lender determines appropriate to preserve, protect or restore the Property. Any amounts disbursed by Lender pursuant to this Section 6 (including attorneys' fees, costs and expenses), together with interest thereon at the default rate set forth in the Note from the date of disbursement, shall become additional Indebtedness of Borrower secured by the lien of this Deed of Trust and the other Loan Documents and shall be due and payable on demand. Nothing contained in this Section 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspection. Lender and its authorized agents may make or cause to be made reasonable entries upon and inspections of the Property at all reasonable times upon reasonable advance notice, which notice may be given in writing or orally.

8. Books and Records. Borrower shall keep and maintain at all times at Borrower's address stated above, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, correspondence, Leases and other documents affecting the Property. Lender and its designated agents shall have the right to inspect Borrower's books, records, contracts, correspondence, Leases and other documents affecting the Property at all reasonable times. In the event of a foreclosure of this Deed of Trust, all of Borrower's books, records, contracts, correspondence, Leases and other documents maintained in connection with the Property shall be made available to the successful bidder at the foreclosure sale for inspection and copying for a period of not less than three (3) years following said sale.

9. Tenant Information. If requested by Lender, Borrower shall furnish to Lender, within twenty (20) days after Lender's request, a rent schedule and any other information available to Borrower concerning the Property, certified as true and complete by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the Lease expiration date, the rent payable, the rent paid to date, and the security deposit being held for such tenant. In the event Borrower fails to comply with the requirements set forth above, Lender shall have the right to cause the books and records of Borrower audited by an independent certified public accountant at Borrower's expense.

10. Environmental Matters.

(a) No Hazardous Materials on Property. Borrower represents and warrants that, except as specified herein, to the best of its knowledge after all appropriate inquiry, and covenants that there are not, nor will there be, for so long as any of Borrower's Indebtedness remains outstanding, any Hazardous Materials (as defined below) generated, released, stored, buried or deposited over, beneath, in or upon the Property or on or beneath the surface of adjacent property, except as such Hazardous Materials may be used, stored or transported in connection with the permitted uses of the Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor; provided, however, Borrower's obligation with respect to parties not within its control (including tenants) shall be to cause the Property to become into compliance with all applicable Hazardous Materials Laws upon discovering a violation of this provision by any such party. "**Hazardous Materials**" shall mean and include any pollutants, flammables, explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, dangerous or toxic substances or related materials, including substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal, state or local laws, ordinances, regulations or guidelines which relate to pollution, the environment or the protection of public health and safety, or limiting, prohibiting or otherwise regulating the presence, sale, recycling, generation, manufacture, use, transportation, disposal, release, storage, treatment of, or response or exposure to, toxic or hazardous substances, wastes or materials. Such laws, ordinances, regulations and guidelines are hereinafter collectively referred to as the "**Hazardous Materials Laws**".

  
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(b) Compliance with Laws. Borrower shall, and Borrower shall use all commercially reasonable efforts to cause its employees, agents, tenants, contractors and subcontractors of Borrower to keep and maintain the Property in compliance with, and not cause or knowingly permit the Property to be in violation of, any applicable Hazardous Materials Laws. Neither Borrower nor any employees, agents, tenants, contractors or subcontractors of Borrower or any other persons occupying or present on the Property shall use, generate, manufacture, store or dispose of on, under or about the Property or transport to or from the Property any Hazardous Materials, except as such Hazardous Materials as may be used, stored or transported in connection with the permitted uses of the Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor; provided, however, Borrower's obligation with respect to parties not within its control (including tenants) shall be to cause the Property to become into compliance with all applicable Hazardous Materials Laws upon discovering a violation of this provision by any such party.

(c) Hazardous Materials Claims. Borrower shall immediately advise Lender in writing of: (i) any notices received by Borrower (whether such notices are from the Environmental Protection Agency, or any other federal, state or local Governmental Agency) of the violation or potential violation of any applicable Hazardous Materials Laws occurring on or about the Property; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened relating to the Property pursuant to any Hazardous Materials Laws; (iii) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "**Hazardous Materials Claims**"); and (iv) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any Hazardous Materials Claims. Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and Borrower shall pay to Lender, upon demand, all attorneys' and consultants' fees and expenses incurred by Lender in connection therewith.

(d) Indemnity. Borrower shall be solely responsible for, and shall indemnify, defend and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against, any claim, demand, lawsuit, loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence of Hazardous Materials on, under or about the Property (whether occurring prior to, during or after the term of the Loan or otherwise and regardless of by whom caused, whether by Borrower or any predecessor or successor in title or any owner of land adjacent to the Property or any other third party, or any employee, agent, tenant, contractor or subcontractor of Borrower or any predecessor or successor in title or any such adjacent land owner or any third person) including, without limitation: (i) claims of third parties (including Governmental Agencies) for injury or death to any person or for damage or destruction of any property; (ii) claims for response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and reporting same to any Governmental Agency; (iii) any and all other claims for expenses or obligations, including attorneys' fees, costs and other expenses; (iv) any and all penalties threatened, sought or imposed on account of a violation of any Hazardous Materials Laws; and (v) all fees of any consultants, attorneys and engineering firms retained in connection with monitoring the obligations of Borrower under this Deed of Trust. The foregoing Indemnity by Borrower shall not, however, apply to the extent that any such claim, demand, lawsuit, loss, damage, cost, expense or liability is directly or indirectly the result of the intentional act or active negligence of Lender or any of Lender's employees, agents, successors or assigns.

(e) Removal of Hazardous Materials. Borrower, at its sole cost and expense, shall, with due care, in a safe manner and in accordance with all applicable laws, detain the spread of, ameliorate and remove from the Property any Hazardous Materials contamination located on or beneath the Property and monitor or cause to be monitored the levels of Hazardous Materials on, under or about the Property or in the groundwater to the extent required by and in accordance with the terms and procedures required by any federal, state or local Governmental Agency having jurisdiction including, without limitation, any Regional Water Quality Control Board and the Environmental Protection Agency.

  
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(f) Environmental Assessments. Lender may, in its sole discretion, if it has a reasonable belief to suspect that a violation of the provisions of this Section 10 has occurred, to require Borrower, at its sole cost and expense, to perform or cause to be performed, such studies or assessments of the Property, as Lender may deem necessary or appropriate or desirable, to determine the status of environmental conditions on and about the Property, which studies and assessments shall be for the benefit of Lender and be prepared in accordance with the specifications established by Lender.

(g) Inspection and Testing. Borrower hereby confirms the right of Lender (or a receiver appointed by Lender) to enter upon and inspect all or any portion of the Property for the purpose of determining the existence, location, nature and magnitude of any past or present release or threatened release of any hazardous substance into, onto, beneath, or from the Property. Such inspections and the tests and studies performed in connection therewith are collectively called the "**Tests and Studies.**" All costs and expenses incurred by Lender pursuant to this Section 10(g), including, without limitation, costs of consultants and contractors, costs of repair of any physical injury to the Property normal and customary to the Tests and Studies, court costs and attorneys' fees and expenses, whether incurred in litigation or not and whether before or after judgment, shall be payable by Borrower and, to the extent advanced or incurred by Lender, shall be reimbursed to Lender by Borrower upon demand. Any and all of such costs and expenses advanced by Lender, together with interest thereon at the rate then in effect under the Note, shall be secured by this Deed of Trust and shall enjoy the same priority as the original principal amount of the Note.

11. Covenants. Borrower covenants with Lender:

(a) To warrant and defend title to the Property against all claims and demands, subject to easements and restrictions currently of record that were approved by Lender.

(b) To provide Lender with prompt written notice of any litigation, arbitration, or other proceeding or governmental investigation pending or, to Borrower's knowledge, threatened against or relating to Borrower or the Property.

(c) If Borrower is an entity, not to alter, amend or modify Borrower's operating agreement, partnership agreement, articles of incorporation or bylaws, as the case may be, without Lender's prior written consent.

(d) Not to make a Prohibited Transfer (as defined in Section 14).

12. Lease. Borrower shall not, without Lender's prior written consent, execute, modify, amend, surrender or terminate any Lease. All Leases executed or renewed after the date hereof must be approved in writing by Lender prior to the execution thereof by Borrower. Borrower shall not be authorized to enter into any ground lease of the Property without Lender's prior written approval. Borrower shall submit to Lender copies of all proposed Leases requiring Lender's approval, and Lender shall have ten (10) days after receipt of such copies to approve or disapprove such Leases. Failure of Lender to provide notice to Borrower by the end of such ten day period shall be deemed Lender's approval of such Lease. If Lender consents to any new Lease or the renewal of any existing Lease, at Lender's request, Borrower shall cause the tenant hereunder to execute a subordination and attornment agreement in form and substance satisfactory to Lender. Notwithstanding the foregoing, Borrower may enter into month to month Leases without Lender's prior written consent, provided such Leases are terminable and on no more than thirty (30) days' written notice. Lender is authorized to foreclose this Deed of Trust subject to the rights, if any, of any tenants of the Property, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by Borrower to be, a defense to any proceedings instituted by Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Property. Unless otherwise agreed by Lender in writing, all Leases of the Property executed subsequent to the date hereof, or any part thereof, shall be subordinate and inferior to the lien of this Deed of Trust, except that from time to time Lender may execute and record among the land records of the jurisdiction where this Deed of Trust is recorded, subordination statements with respect to such of said leases as Lender may designate, whereby the Leases so designated by Lender will be made superior to the

  
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lien of this Deed of Trust. From and after the recordation of such subordination statements, the Leases therein referred to shall be superior to the lien of this Deed of Trust and shall not be affected by any foreclosure hereof. All such Leases shall contain a provision to the effect that the tenant thereunder recognizes the right of the Lender to effect such subordination of this Deed of Trust and consents thereto. So long as there shall not have occurred an Event of Default, Borrower shall have the right to collect all Rents, and shall hold the same, in trust, to be applied first to the payment of all impositions, levies, taxes, assessments and other charges upon the Property, second to maintenance of insurance policies upon the Property required hereby, third to the expenses of Property operations, including maintenance and repairs required hereby, fourth to the payment of that portion of the Indebtedness then due and payable, and fifth, the balance, if any, to or as directed by Borrower.

13. Estoppel Certificate. Borrower shall within ten (10) days after Lender's request, furnish Lender with a written statement, duly acknowledged, setting forth the sums, according to Borrower's books and records, secured by the Loan Documents and any right of set-off, counterclaim or other defense which exists against such sums and the Obligations.

14. Transfers of the Property or Beneficial Interest in Borrower. Except as expressly permitted by any of the Loan Documents, Borrower shall not transfer, sell, convey, assign or lease the property or any portion thereof or any interest therein without Lender's prior written consent. If Borrower shall sell, enter into a contract of sale, lease, or if Borrower shall sell, transfer, lease or convey all or any part of the Property or an interest therein, whether voluntarily or involuntarily or by operation of law or otherwise (excluding a transfer by devise, descent, or by operation of law upon the death of a joint tenant), without Lender's prior written consent, the Lender may, at its option declare the Note and any other obligations secured by this Deed of Trust, together with accrued interest thereon, immediately due and payable, in full. If Borrower is an entity, any direct or indirect change in the ownership or control of Borrower or any person or entity owning or controlling Borrower (i.e., the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Borrower or any person or entity owning or controlling Borrower, whether by ownership of voting securities, by contract, or otherwise), whether voluntarily or involuntarily or by operation of law or otherwise, shall violate the provisions of this Section 14. The occurrence of any sale, transfer, lease or conveyance without Lender's prior written consent (when such consent is required hereunder) is referred to herein as a "**Prohibited Transfer**." No waiver of the Lender's right to accelerate shall be effective unless it is in writing. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 20 hereof."

15. No Additional Liens, Encumbrances or Indebtedness. Borrower covenants not to execute any mortgage, security agreement, assignment of leases and rents or other agreement granting a lien (except the liens granted to Lender by the Loan Documents) against, or encumbrance on, the Property or take or fail to take any other action which would result in a lien against the Property or the interest of Borrower in the Property without the prior written consent of Lender. Notwithstanding any of the foregoing, Borrower shall not be in default hereunder upon the placement, creation or recording of any mechanics' lien or materialmen's lien against the Property ("**Mechanics Liens**"), provided that Borrower either removes said Mechanics' Liens within thirty (30) days of recordation, or obtains a bond or bonds in the full amount of the Mechanics' Liens within said time period.

16. Assignment of Rents and Leases.

(a) Assignment. Borrower, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby assign, convey, and deliver unto Lender: (i) all of Borrower's right, title and interest in all of the Leases now or hereafter affecting the Land; (ii) the immediate and continuing right to collect and receive all of the Rents; (iii) any and all rights and claims of any kind that Borrower may have now or in the future against any tenant, **TO HAVE AND TO HOLD THE SAME UNTO LENDER, ITS SUCCESSORS AND ASSIGNS**, until the Indebtedness is paid in full.

  
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(b) Absolute Assignment. The parties intend that this Assignment shall be a present, absolute, and unconditional assignment and shall, immediately upon execution, give Lender the right to collect the Rents and to apply them in payment of the principal, interest and all other sums payable under the Loan Documents. Such assignment and grant shall continue in effect until the Indebtedness is paid in full. Subject to the provisions set forth herein and provided Borrower has not defaulted in the performance of the terms, covenants, or provisions of the Loan Documents, Lender grants to Borrower a license to enforce the Leases and collect the Rents as they become due. Borrower shall deliver such other Rents to Lender as are necessary for the payment of principal, interest and other sums payable under the Loan Documents as such sums become due. Borrower further agrees that Lender may enforce this assignment without first resorting to or exhausting any security or collateral for the Loan; however, nothing herein contained shall prevent Lender from exercising any other right under any of the Loan Documents.

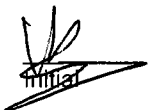
(c) Power of Attorney. Borrower hereby irrevocably appoints Lender its true and lawful attorney-in-fact, with full power of substitution and with full power for Lender in its own name and capacity or in the name and capacity of Borrower to demand and collect any and all Rents and to file any claim or take any other action or proceeding and make any settlement regarding the Leases; provided, however, Lender shall not exercise such power of attorney unless and until Borrower is in default of any payment or in breach of its Obligations under the Loan Documents. All tenants are hereby expressly authorized and directed to pay to Lender, or to such nominee as Lender may designate in writing delivered to such tenants, all amounts due Borrower pursuant to the Leases. All tenants are expressly relieved of all duty, liability or obligation to Borrower in respect of all payments so made to Lender or such nominee.

(d) Indemnity. Borrower hereby agrees to indemnify Lender and to hold Lender harmless from any liability, loss or damage including without limitation, reasonable attorneys' fees, costs and expenses which may or might be incurred by Lender under the Leases or by reason of this assignment, and from any and all claims and demands which may be asserted against Lender by reason of any terms, covenant or agreement contained in any of the Leases, other than as a result of Lender's active negligence or willful misconduct.

(e) Performance of Lease Covenants. Lender may, at its option, perform any Lease covenant for and on behalf of Borrower and all monies expended in so doing shall be chargeable to Borrower and added to the outstanding principal balance and shall be immediately due and payable with interest thereon at the Note rate.

(f) Representations and Warranties. Borrower represents and warrants and shall be deemed to reaffirm the same upon each disbursement of Loan proceeds by Lender to Borrower: (i) the Leases are in full force and effect and have not been modified; (ii) there are no defaults, defenses or setoffs of either landlord, or to the best of Borrower's knowledge, tenant under the Leases nor is there any fact which, with the giving of notice or lapse of time or both, would constitute a default under the Leases; (iii) the sole ownership of the entire Landlord's interest in the Leases is vested in Borrower and the Leases have not been otherwise assigned or pledged; (iv) all Rents due to date have been collected, no Rent has been collected in advance (other than Rent paid one month in advance, security deposits or the last month's Rent), and no tenant has been granted any Rent concession or inducement whatsoever other than as disclosed to Lender in writing; and (v) there are no Leases affecting the Property except those Leases specified by Borrower in the Loan Documents.

(g) Covenants and Agreements. Borrower hereby covenants and agrees as follows: (i) Borrower shall not permit any Rent under any Lease of the Property to be collected more than thirty (30) days in advance of the due date thereof; (ii) Borrower shall act promptly to enforce all available remedies against any delinquent tenant to protect the interest of the landlord under the Leases and to preserve the value of the Property; (iii) Borrower shall comply with and perform in a complete and timely manner all of its obligations as landlord under all Leases; (iv) Borrower shall give notice to Lender of any material default by Borrower under any Lease or by any tenant under any nonresidential Lease in such time to afford Lender an opportunity to cure any such default prior to the tenant having any right to terminate the Lease; (v) Borrower shall provide Lender with notice of the commencement of an action of ejectment or any

  
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summary proceedings for dispossession of the tenant under any of the Leases; (vi) Borrower shall furnish promptly to Lender the original or certified copies of all Leases now existing or hereafter created, and Lender shall have the right to notify any tenant at any time and from time to time of any provision of the Loan Documents' (vii) Borrower shall not permit any Leases to be made of the Property or existing Leases to be modified, terminated, extended or renewed without the prior written consent of Lender.

17. Borrower and Lien Not Released. Without affecting the liability of Borrower or any other person liable for the payment of the Indebtedness and without affecting the lien or charge of this Deed of Trust as security for the payment of the indebtedness, Lender may from time to time and without notice to any junior lienholder or holder of any right or other interest in and to the Property: (a) release any person so liable; (b) waive or modify any provision of this Deed of Trust or the other Loan Documents or grant other indulgences; (c) release all or any part of the Property; (d) take additional security for any obligation herein mentioned; (e) subordinate the lien or charge of this Deed of Trust; (f) consent to the granting of any easement; or (g) consent to any map or plan of the Property.

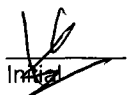
18. Oregon Commercial Code Security Agreement.

(a) This Deed of Trust shall constitute a security agreement pursuant to the Uniform Commercial Code in the state of Oregon, as amended (hereinafter called the "**Oregon Commercial Code**") for any portion of the Property which, under applicable law may be subject to a security interest pursuant to the Oregon Commercial Code (such portion of the Property is hereinafter called the "**Personal Property**") and Borrower hereby grants to Lender a security interest in the Personal Property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender any financing statements as well as extensions, renewals and amendments thereof, and reproductions of this Deed of Trust in such form as Lender may require to perfect a security interest with respect to the Personal Property. Borrower hereby authorizes and empowers Lender and irrevocably appoints Lender its agent and attorney in fact to execute and file, on Borrower's behalf, all financing statements and refilings and continuations thereof as Lender deems necessary or advisable to create, preserve and protect such lien. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements as Lender may reasonably require. Without limitation of the foregoing, if an Event of Default occurs, Lender shall be entitled immediately to exercise all remedies available to it under the Oregon Commercial Code.

(b) Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Lender without the necessity of any further notice or action by Borrower. Lender shall not by reason of this Deed of Trust or the exercise of any right granted hereby be obligated to perform any obligation of Borrower with respect to any portion of the Personal Property nor shall Lender be responsible for any act committed by Borrower, or any breach or failure to perform by Borrower with respect to any portion of the Personal Property.

(c) Borrower shall not, without the prior written consent of Lender, sell, assign, transfer, remove or permit to be removed from the Property any of the Personal Property. So long as no Event of Default exists, Borrower may sell or otherwise dispose of the Personal Property when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Property, but only upon replacing the same with other Personal Property at least equal in value and utility to the disposed Personal Property. Any replacement or substituted Personal Property shall be subject to the security interest granted herein.

(d) To the extent permitted by law, Borrower and Lender agree that with respect to all items of Personal Property which are or will become fixtures on the Land, this Deed of Trust, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of the Oregon Commercial Code. Borrower is the record Owner of the Land.

  
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(e) Without in any way affecting Lender's security interest in the Personal Property, it is expressly understood and agreed as follows: (i) Borrower shall, at Borrower's expense, promptly take all actions necessary to obtain all proceeds to which Borrower is entitled in connection with the Personal Property, including, without limitation, the filing of any applications or claims and the prosecution of appeals or litigation, if necessary; (ii) Borrower shall direct the payer with regard to any of the Personal Property to remit same directly to Lender when due; (iii) Borrower shall forward promptly to Lender (a) all notices and correspondence relating in any manner to the Personal Property, and (b) any proceeds received by Borrower in connection with any of the Personal Property; (iv) if an Event of Default has occurred, the proceeds of any of the Personal Property received by Lender shall be applied toward the repayment of the Note, or if an Event of Default has not occurred, said proceeds shall be deposited by Borrower with Lender subject to the security interest granted herein and applied from time to time toward the payment of any expenses relating to the Property; and (v) effective upon the occurrence of an Event of Default, Lender shall be and is irrevocably appointed as Borrower's attorney in fact (such power of attorney being deemed to be coupled with an interest) to take all such actions on behalf of Borrower that Lender deems necessary and expedient in order to obtain all proceeds to which Borrower is entitled with respect to any of the Personal Property.

19. Events of Default; Acceleration of Indebtedness. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Deed of Trust:

(a) Failure of Borrower to pay, on or before ten (10) calendar days after the due date, any of the Indebtedness, including any payment due under the Note; or

(b) Failure of Borrower to strictly comply with Sections 4(a)(i) (insurance), or a violation of Section 7 (inspection) shall have occurred, or a Prohibited Transfer shall have occurred in violation of Section 14, or a violation of Section 15 (additional liens and encumbrances) shall have occurred, and there shall be no cure period therefor,

(c) Failure of Borrower to comply with Section 10 (environmental matters), provided, however, Borrower shall have thirty (30) days following written notice from Lender or Lender's agent within which to cure the default, provided that if such Obligation cannot by its nature be cured within such thirty day period and if Borrower commences to cure such failure within such thirty day period, the time period to complete the cure shall be extended so long as Borrower is diligently pursuing the cure; or

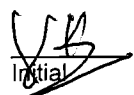
(d) A petition under any Chapter of Title 11 of the United States Code or any similar law or regulation is filed by or against Borrower (and in the case of an involuntary petition in bankruptcy, such petition is not discharged within sixty (60) days of its filing), or a custodian, receiver or trustee for any of the Property is appointed, or Borrower makes an assignment for the benefit of creditors, is adjudged insolvent by any state or federal court of competent jurisdiction, or admits its insolvency or inability to pay its debts as they become due or an attachment or execution is levied against any of the Property; or

(e) The occurrence of a default following applicable notice cure periods under and as defined in any other Loan Document; or

(f) Borrower shall default in the payment of any indebtedness (other than the Indebtedness) and such default is declared and is not cured within the time, if any, specified therefore in any agreement governing the same; or

(g) Any material statement, report or certificate made or delivered to Lender by Borrower or any agent or principal of Borrower is not materially true and complete at any time; or

(h) Failure of Borrower, within thirty (30) days after notice and demand, to satisfy each and every Obligation not set forth in the subsections above; provided, however, if such Obligation cannot by its nature be cured within thirty (30) days, and if Borrower commences to cure such failure promptly after written notice thereof and thereafter diligently pursues the curing thereof (and then in all events cures

  
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such failure within sixty (60) days after the original notice thereof), Borrower shall not be in default hereunder during such period of diligent curing.

Upon the occurrence of an Event of Default after the expiration of any grace or cure period therefor, at the option of Lender, the Indebtedness shall become immediately due and payable without notice to Borrower and Lender shall be entitled to all of the rights and remedies provided in the Loan Documents or at law or in equity. Each remedy provided in the Loan Documents is distinct and cumulative to all other rights or remedies under the Loan Documents or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

20. Entry: Foreclosure.

(a) Surrender Possession. Upon the occurrence or an Event of Default, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Property, or to the extent permitted by Law, Trustee or Lender, or their officers or agents or a receiver appointed by a court of competent jurisdiction, may enter and take possession of all or any part of the Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have access to the books, papers and accounts of Borrower. If Borrower shall for any reason fail to surrender or deliver the Property or any part thereof after Lender makes such demand, Lender, Trustee or such receiver may obtain a judgment or decree conferring on Lender or Trustee or such receiver the right to immediate possession of the Property or requiring the delivery of the Property to Lender, Trustee or such receiver, and Borrower specifically consents to the entry of such judgment or decree. Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Property and conduct the business thereof, and Lender or such receiver may take any action required by applicable law or which Lender or such receiver believes necessary to enforce compliance with the environmental provisions contained herein or in the other Loan Documents, and negotiate with Governmental Agencies with respect to the Property's environmental compliance and remedial measures in connection therewith. Lender and such receiver and their representatives shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission which was taken or omitted in good faith.

(b) Pursue Remedies. When the Indebtedness or any part thereof shall become due, whether by acceleration or otherwise, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to: (i) enforce payment of the Note or the performance of any term, covenant, condition or agreement of Borrower under any of the Loan Documents; (ii) foreclose the lien hereof for the Indebtedness or part thereof by power of sale, commencement of action or otherwise, as more particularly described in Section 20(c) below, or otherwise and sell the Property as an entirety or otherwise, as Lender may determine; and/or (iii) pursue any other right or remedy available to it under or by the law and decisions of the State in which the Land is located. Notwithstanding any statute or rule of law to the contrary, the failure to join any tenant or tenants of the Property as party defendant or defendants in any foreclosure action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect (a) the Indebtedness, or any part thereof or (b) any deficiency remaining unpaid after foreclosure and sale of the Property.

(c) Trustee's Sale. Should Lender elect to foreclose by exercise of the power of sale contained herein, Lender shall notify Trustee and shall, if required, deposit with Trustee the Note, the original or a certified copy of this Deed of Trust, and such other documents, receipts and evidences of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from Lender, Trustee shall cause to be recorded and delivered to Borrower such notice of default as may then be required by law and by this Deed of Trust. Trustee shall, without demand on Borrower, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale has been given as required by law, sell the Property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to the purchaser or purchasers at such sale its good and sufficient deed or

  
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deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Borrower, Trustee or Lender, may purchase at such sale, and Borrower hereby covenants to warrant and defend the title of such purchaser or purchasers. Trustee may postpone the sale of all or any portion of the Property from time to time in accordance with the laws of the State in which the Land is located. To the fullest extent allowed by law, Borrower hereby expressly waives any right which it may have to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant to this Deed of Trust.

(d) Mixed Collateral. Upon the occurrence of an Event of Default under this Deed of Trust, Lender, pursuant to appropriate statutory provisions, shall have an option to proceed with respect to both the real property portion of the Property and the Personal Property in accordance with its rights, powers and remedies with respect to such real property. Such option shall be revocable by Lender as to all or any portion of the Personal Property at any time prior to the sale of the remainder of the Property. In such event Lender shall designate Trustee to conduct the sale of the Personal Property in combination with the sale of the remainder of the Property. Should Lender elect to sell the Personal Property or any part thereof which is real property or which Lender has elected to treat as real property or which may be sold together with the real property as provided above, Lender or Trustee shall give such notice of default and election to sell as may then be required by law. The parties agree that if Lender shall elect to proceed with respect to any portion of the Personal Property separately from such real property, five (5) days notice of the sale of the Personal Property shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Lender shall include, but not be limited to, reasonable attorneys' fees, costs and expenses, and other expenses incurred by Lender.

(e) Rescission of Notice of Sale. Lender may from time to time rescind any notice of default or notice of sale before any Trustee's sale as provided above in accordance with the laws of the State in which the Land is located. The exercise by Lender of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Lender to execute and deliver to Trustee, as above provided, other declarations or notices of default to satisfy the obligations of this Deed of Trust, or otherwise affect any provision, covenant, or condition of any Loan Document or any of the rights, obligations or remedies of Trustee or Lender hereunder or thereunder.

(f) Rights and Remedies Cumulative. Trustee and Lender shall have all powers, rights and remedies under applicable law whether or not specifically or generally granted or described in this Deed of Trust. Nothing contained herein shall be construed to impair or to restrict such powers, rights and remedies or to preclude any procedures or process otherwise available to trustees or beneficiaries under deeds of trust in the State in which the Land is located. Trustee and Lender, and each of them, shall be entitled to enforce the payment and performance of the Indebtedness or the obligations and to exercise all rights and powers under this Deed of Trust or under any other Loan Document or other agreement of any laws now or hereafter in force, notwithstanding the fact that some or all of the Indebtedness and the Obligations may now or hereafter be otherwise secured, whether by Deed of Trust, mortgage, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers contained herein, shall prejudice or in any manner affect Trustee's or Lender's right to realize upon or enforce any other rights or security now or hereafter held by Trustee and Lender. Trustee and Lender, and each of them, shall be entitled to enforce this Deed of Trust and any other rights or security now or hereafter held by Lender or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Lender is intended to be exclusive of any other remedy contained herein or by law provided or permitted, but each shall to the extent permitted by law be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Every power or remedy given by any of the Loan Documents to Trustee or Lender, or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Lender, and either of them may pursue inconsistent remedies. By exercising or by failing to exercise any right, option or election hereunder, Lender shall not be deemed to have waived any provision hereof or to have released Borrower from any of the obligations secured hereby unless such waiver

  
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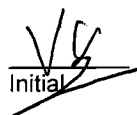
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or release is in writing and signed by Lender. The waiver by Lender of Borrower's failure to perform or observe any term, covenant or condition referred to or contained herein to be performed or observed by Borrower shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent failure of Borrower to perform or observe the same or any other such term, covenant or condition referred to or contained herein, and no custom or practice which may develop between Borrower and Lender during the term hereof shall be deemed a waiver of or in any way affect the right of Lender to insist upon the performance by Borrower of the obligations secured hereby in strict accordance with the terms hereof or of any other Loan Document.

(g) Waiver of Lien. In accordance with applicable Oregon law, Lender may waive its lien against the Property or any portion thereof, together with fixtures or personal property thereon, to the extent such property is found to be environmentally impaired, and may exercise any and all rights and remedies of an unsecured creditor against Borrower and all of Borrower's assets and property for the recovery of any deficiency, including, without limitation, seeking an attachment order. No such waiver shall be final or binding on Lender unless and until a final money judgment is obtained against Borrower. As between Lender and Borrower, Borrower shall have the burden of proving that: (i) the release or threatened release was not knowingly or negligently caused or contributed to, or knowingly or willfully permitted or acquiesced to by Borrower or any related party or any affiliate or agent of Borrower or any related party; and (ii) Borrower made written disclosure of the release or threatened release to Lender or that Lender otherwise obtained actual knowledge thereof prior to the making, renewal or modification of the loan evidenced by the Note. Notwithstanding anything to the contrary contained in this Deed of Trust or the other Loan Documents, Borrower shall be fully and personally liable for all judgments and awards entered against Borrower and such liability shall be an exception to any non recourse or exculpatory provision in this Deed of Trust or the other Loan Documents and shall not be limited to the original principal amount of the obligations secured by this Deed of Trust. Borrower's obligations hereunder shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purpose of any action brought under this Section, Borrower hereby waives the defense of laches and any applicable statute of limitations. The acts, knowledge and notice of each Borrower Party shall be attributed to and be deemed to have been performed by the party or parties then obligated on and liable for payment of the Note. As used herein, "**Borrower Party**" shall mean Borrower, any successor owner to Borrower of all or any portion of the Property, any related party of Borrower or any such successor and any affiliate or agent of Borrower, any such successor or any such related party.

(h) Action for Environmental Claims. In accordance with, and subject to limitations of applicable Oregon law, Lender may seek a judgment that Borrower has breached its covenants, representations and/or warranties with respect to the environmental matters contained in Section 10(a) through (g) of this Deed of Trust the ("**Environmental Provisions**"), and may commence and maintain an action or actions in any court of competent jurisdiction for enforcement of the Environmental Provisions and/or recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out of pocket costs or expenses (including, Without limitation, court costs, consultants' fees and attorneys' fees and expenses, whether incurred in litigation or not and whether before or after judgment), incurred or advanced by Lender pursuant to the Environmental Provisions (collectively, the "**Environmental Costs**"), excluding, however, any Environmental Costs that are not permitted to be recovered pursuant to applicable Oregon law. Any such Environmental Costs that are not permitted to be recovered may be referred to hereinafter as the "**Unsecured Environmental Costs**", and Environmental Costs other than the Unsecured Environmental Costs may be referred to hereinafter as the "**Secured Environmental Costs**". Any Unsecured Environmental Costs shall not be secured by this Deed of Trust; however, nothing herein shall prevent Lender from recovering any Unsecured Environmental Costs pursuant to the unsecured Hazardous Materials Certificate and Indemnity Agreement ("**Indemnity Agreement**") of even date herewith among Borrower, Lender and certain other parties, to the extent they are recoverable in accordance with the Indemnity Agreement. All Secured Environmental Costs incurred by Lender shall bear interest at the default rate provided under the Note. All secured Environmental Costs together with interest thereon at the rate then in effect under the Note shall be secured by this Deed of Trust and shall enjoy the same priority as the original principal amount of the Note. Borrower acknowledges and agrees that notwithstanding any term or provision contained in this Deed of Trust or in the other Loan Documents,

  
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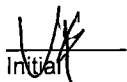
Environmental Costs shall be exceptions to any nonrecourse or exculpatory provision, if any, and Borrower shall be fully and personally liable for Environmental Costs. Such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust. Borrower's obligations hereunder shall survive foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purposes of any action brought under this subparagraph, Borrower hereby waives the defense of laches and any applicable statute of limitations.

21. Expenditures and Expenses. In any action to foreclose the lien hereof or otherwise enforce Lender's rights and remedies hereunder, there shall be allowed and included as additional Indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Lender including repair costs, payments to remove or protect against liens, attorneys' fees, costs and expenses, receivers' fees, appraisers' fees, engineers' fees, accountants' fees; and any fees, costs and expenses in connection with any Tests and Studies; outlays for documentary and expert evidence, stenographers' charges, stamp taxes, publication costs, and costs (which may be estimates as to items to be expended after entry of an order or judgment) for procuring all such abstracts of title, title searches and examination, title insurance policies, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute any action or to evidence to bidders at any sale which may be had pursuant to an order or judgment the true condition of the title to, or the value of, the Property. All expenditures and expenses of the nature mentioned in this Section 21 and such costs, expenses and fees as may be incurred or as may be owing by Lender in the protection of the Property and the maintenance of the lien of this Deed of Trust, including the fees, costs and expenses of any attorneys employed by Lender in any litigation or proceeding affecting this Deed of Trust, the Note, the other Loan Documents or the Property; including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, including costs and expenses in connection with obtaining any court order or the appointment of a receiver to enforce Lender's rights, shall be immediately due and payable to Lender, with interest thereon at the default rate set forth in the Note, and shall be secured by this Deed of Trust. In addition to the foregoing award of attorneys' fees and costs, Lender shall be entitled to its attorneys' fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment or order relating to this Deed of Trust, the Note secured hereby or the other Loan Documents. This provision is separate and several and shall survive the merger of this provision into any judgment.

22. Application of Proceeds of Foreclosure Sale. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including, without limitation, costs of evidence of title and actual and customary attorneys' fees of Trustee and Lender in connection with a sale as provided in Section 20©(i) above, the proceeds of any foreclosure sale of the Property shall be distributed and applied in the order of priority set forth in the Note with the remainder, if any, to be distributed to the person or persons legally entitled thereto.

23. Appointment of Receiver. If an Event of Default is continuing or if Lender shall have accelerated the Indebtedness, Lender upon application to a court of competent jurisdiction, whether in conjunction with Lender's commencement of judicial proceedings to foreclose the lien hereof, or pursuant to other proceedings, shall be entitled as matter of strict right, without notice, and without regard to the occupancy or value of the Property or any other security for the Indebtedness or the insolvency of any party bound for its payment, to the appointment, of a receiver to take possession of and to operate the Property or any portion thereof, and to collect and apply the Rents, and Borrower hereby irrevocably consents to such appointment and waives notice of any application therefor. In addition, Lender shall have the right to appoint a receiver when permitted under applicable Oregon law, including, without limitation, in order to enforce Lender's rights as described in Section 10(g). The receiver shall have all of the rights and powers to the fullest extent permitted by law. The receiver shall have the right to apply Rents to cleanup, remediation or other response action concerning the release or threatened release of Hazardous Materials, whether or not such actions are pursuant to an order of any federal, state or local governmental agency.

24. After-Acquired Property. To the extent permitted by, and subject to, applicable law, the lien of this Deed of Trust, including without limitation the security interest created under the granting clauses of this Deed of Trust, shall automatically attach, without further act, to all property hereafter acquired

  
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by Borrower located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Property or any part thereof.

25. Future Advances. This Deed of Trust is given to secure not only the existing Indebtedness, but also payment and performance of all future advances and other obligations that Borrower or any successor in ownership of all or part of the property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Lender, when a writing evidences the parties' agreement that the advance or obligation be secured by this Deed of Trust.

26. Trustee Provisions.

(a) From time to time upon written request of Lender and presentation of this Deed of Trust for endorsement and without affecting the personal liability of any person for payment of the Indebtedness or performance of the Obligations, Trustee may, without liability therefor and without notice: reconvey all or any part of the Property; consent to the making of any map or plat thereof; join in granting any easement thereon; join in any declaration of covenants and restrictions; or join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee or Lender may from time to time apply in any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Lender may obtain order or decrees directing or confirming or approving acts in the execution of such trusts and the enforcement of such remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Deed of Trust. Borrower shall pay to Trustee reasonable compensation and reimbursement for services and expenses in the enforcement of the trusts created hereunder, including reasonable attorneys' fees and expenses. Borrower shall indemnify Trustee and Lender against all losses, claims, demands and liabilities which either may incur, suffer or sustain in the execution of the trusts created hereunder or in the performance of any act required or permitted hereunder or by law.

(b) From time to time, by a writing signed by Lender, Lender may appoint another trustee to act in the place and stead of Trustee or any successor, with the same effect as if originally named Trustee herein.

27. Disclosure of Information. Borrower agrees that Lender shall have the right (but shall be under no obligation) to make available to any party for the purpose of granting participations in or selling, transferring, assigning or conveying all or any part of the Loan (including, without limitation, any Governmental Agency or authority and any prospective bidder at any foreclosure sale of the Property), any and all information which Lender may have with respect to the Property, whether provided by Borrower or any third party or obtained as a result of any Tests and Studies pursuant to Section 10(g). Borrower agrees that Lender shall have no liability whatsoever as a result of delivering any such information to any third party, and Borrower, on behalf of itself and its successors and assigns (including, without limitation, any purchaser at a foreclosure sale), hereby releases and discharges Lender from any and all liability, claims, damages, or causes of action, arising out of, connected with or incidental to the delivery of any such information to any third party.

28. Sale of Loan. Lender, at any time and without the consent of Borrower, may grant participations in or sell, transfer, assign and convey all or any portion of its right, title and interest in and to the Loan, this Deed of Trust and the other Loan Documents, guaranties given in connection with the Loan and any collateral given to secure the Loan.

29. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy under any of the Loan Documents, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. Lender's acceptance of payment of any sum secured by any of the Loan Documents after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by

  
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Lender shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness, nor shall Lender's receipt of any awards, proceeds or damages under Section 4 hereof operate to cure or waive Borrower's default in payment of sums secured by any of the Loan Documents. With respect to all Loan Documents, only waivers made in writing by Lender shall be effective against Lender.

30. Waiver of Statute of Limitations. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien created by any of the Loan Documents or to any action brought to enforce the Note or any other obligation secured by any of the Loan Documents.

31. Waiver of Homestead and Redemption. Borrower hereby waives all right of homestead exemption in the Property. Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Deed of Trust, except decree or judgment creditors of Borrower.

32. Governing Law; Severability. This Deed of Trust shall be governed by and construed in accordance with the internal laws of the State of the jurisdiction in which the Land is located. The invalidity, illegality or enforceability of any provision of this Deed of Trust shall not affect or impair the validity, legality or enforceability of the remainder of this Deed of Trust and to this end, the provisions of this Deed of Trust are declared to be severable.

33. Notice. Any notice or other communication required or permitted to be given shall be in writing addressed to the respective party at their addresses set forth above and may be personally served, telecopied or sent by overnight courier or U.S. Mail and shall be deemed given: (a) if served in person when served; (b) if telecopied, on the date of transmission; provided that a hard copy of such notice is also sent pursuant to clause (c) or (d) below; (c) if by overnight courier, on the first business day after delivery to the courier; or (d) if by U.S. Mail, on the third (3<sup>rd</sup>) day after deposit in the mail, postage prepaid, certified mail, return receipt requested. A party may change its address by providing notice to the other party as set forth in this Section 33.

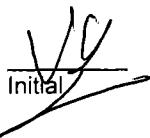
34. Successors and Assigns Bound; Joint and Several Liability; Agents; Captions. The covenants and agreements contained in the Loan Documents shall bind, and the rights thereunder shall inure to, the respective successors and assigns of Lender and Borrower subject to the provisions of Section 14 hereof. All covenants and agreements of Borrower shall be joint and several in the event that there is more than one individual or entity comprising Borrower or in the event that Borrower's obligations are succeeded to by one or more successors or assigns. In exercising any rights under the Loan Documents or taking any actions provided for therein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and heading of the paragraphs of this Deed of Trust are for convenience only and not to be used to interpret or define the provisions hereof.

35. Release. Upon payment of all sums secured by this Deed of Trust, Lender shall release and reconvey this Deed of Trust. Borrower shall pay Lender's reasonable costs incurred in releasing this Deed of Trust and any financing statements related hereto.

36. Business Day. As used in the Loan Documents "**business day**" means any day, other than a Saturday or a Sunday when banks in Los Angeles, California are not required to be closed.

37. Loss of Note. Upon notice from Lender of the loss, theft, or destruction of the Note and upon receipt of indemnity, reasonably satisfactory to Borrower from Lender, or in the case of mutilation of the Note, upon surrender of the mutilated Note, Borrower shall make and deliver a new note of like tenor in lieu of the then to be superseded Note.

38. Time of Essence. Time is of the essence of this Deed of Trust and the performance of each of the covenants and agreements contained herein.

  
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39. Multiple Lenders. If the beneficial interests in this Deed of Trust are held by multiple lenders, the Lenders have agreed in writing to be governed by the desires of the holders of more than 50% of the record beneficial interests herein with respect to actions taken on behalf of all holders in the event of default or foreclosure for matters that require direction or approval of the holders, including designation of the Broker, servicing agent, or other person acting on their behalf, and the sale, encumbrance or lease of real property owned by holders resulting from foreclosure or receipt of a deed in lieu of foreclosure.

40. State Law Provisions. Certain provisions/sections of this Deed of Trust and certain additional provisions/sections that are required by laws of the State in which the Property is located may be amended, described and/or otherwise set forth in more detail in this Section 40. In the event of any conflict between such state law provisions in this Section 40 and any other provision provided herein above, the state law provisions of this Section 40 shall control and be binding.

(a) Acceleration; Remedies.

(i) At any time during the existence of an Event of Default, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand. After giving Borrower notice of the occurrence of an Event of Default in the manner prescribed by Oregon law, Lender may invoke the power of sale and any other remedies permitted by Oregon law or provided in this Deed of Trust or in any other Loan Document. Borrower acknowledges that the power of sale granted by this Deed of Trust may be exercised by Lender without prior judicial hearing. Borrower has the right to bring an action to assert that an Event of Default does not exist or to raise any other defense Borrower may have to acceleration and sale. Lender may also foreclose this Deed of Trust judicially as a mortgage. Lender will be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees and costs of documentary evidence, abstracts and title reports.

(ii) If Lender invokes the power of sale, Lender will give written notice to Trustee of the occurrence of the Event of Default and of Lender's election to cause the Property to be sold. Trustee and Lender will give such notices as Oregon law may require to Borrower and to all other Persons (as defined below) entitled to receive notice under Oregon law. After the lapse of such time as may be required by Oregon law, Trustee will sell the Property according to Oregon law. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone the sale of all or any part of the Property for a period or periods not exceeding a total of 180 days (or such period as may be fixed by ORS 86.782(2) by public announcement at the time and place fixed in the notice of sale. Lender or Lender's designee may purchase the Property at any sale. As used herein "Person" means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.

A. Within a reasonable time after the sale, Trustee will deliver to the purchaser at the sale, a deed conveying the Property so sold without any covenant or warranty, express or implied. The recitals in the Trustee's deed will be prima facie evidence of the truth of the statements made in those recitals. Trustee will apply the proceeds of the sale in the following order:

1. To all costs and expenses of the sale, including Trustee's fees not to exceed the amount prescribed by ORS 86.809.

2. To the Indebtedness in such order as Lender, in Lender's discretion, directs.

  
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3. The excess, if any, to the Person or Persons legally entitled to the excess.

The purchaser at the sale will be entitled to possession of the Property on the 10<sup>th</sup> day after the sale.

(b) Reconveyance. Upon payment of the Indebtedness, Lender will request Trustee to reconvey the Property and will surrender this Deed of Trust and the Note to Trustee. Trustee will reconvey the Property without warranty to the Person or Persons legally entitled thereto. Such Person or Persons will pay Trustee's reasonable costs incurred in so reconveying the Property and costs of recording, if any.

(c) Substitute Trustee. In accordance with Oregon law, Lender may from time to time appoint a successor trustee to any Trustee appointed under this Deed of Trust. Without conveyance of the Property, the successor trustee will succeed to all the title, power and duties conferred upon the predecessor Trustee and by Oregon law.

(d) Use of Property. The Property is not used for agricultural, timber or grazing purposes.

(e) Attorneys' Fees. As used in this Deed of Trust and in the Note, "attorneys' fees" will include attorneys' fees, if any, which will be incurred whether or not legal action is commenced and any such fees incurred at trial, arbitration, interpleader, bankruptcy, hearing or any judicial proceeding, and on appeal.

(f) Time of Essence. Time is of the essence of each covenant of this Deed of Trust.

(g) FORCED PLACE INSURANCE NOTICE.

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

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

(iii) THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW. (EACH REFERENCE TO "YOU" AND "YOUR" WILL REFER TO BORROWER AND EACH REFERENCE TO "US" AND "WE" WILL REFER TO LENDER.)

(h) NO ORAL COMMITMENTS NOTICE.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY LENDER CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR

  
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PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY LENDER TO BE ENFORCEABLE.

(i) WAIVER OF TRIAL BY JURY.

1. BORROWER AND LENDER EACH COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS DEED OF TRUST OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY.

2. BORROWER AND LENDER EACH WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

(j) Purpose of Loan. The loan secured hereby is made, and all proceeds thereof will be used solely for commercial, investment, or business purposes and not for personal, household, or family purposes. This Deed of Trust is not a residential trust deed, the Property is not residential real property, and the loan secured hereby is not a residential mortgage transaction, each as defined in ORS Chapters 86 and 86A. The grantor is not a resident of the Property. So long as any of the debt secured hereby is unpaid, Borrower covenants and agrees that the property shall remain non-residential property.

(k) Variable Rate Of Interest. The Note and the other loan documents secured by this Deed of Trust contains provisions allowing for changes in the interest rate from time to time during the term of the indebtedness.

(l) BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.


  
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IN WITNESS WHEREOF, Borrower has executed this Deed of Trust or has caused the same to be executed by its duly authorized representatives as of the date first above written.

  
VIRENDER KUMAR

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF OR

COUNTY OF Klamath

SS.

On 10/28/2022, before me, Vivian Michelle Garcia, a Notary Public, personally appeared VIRENDER KUMAR who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are) subscribed to the within instrument, and acknowledged to me that (he/she/they) executed the same in (his/her/their) authorized capacity(ies), and that by (his/her/their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



  
Notary Public

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## REQUEST FOR FULL RECONVEYANCE

TO PROPERTY GUARANTEE COMPANY, INC., TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing. Said note or notes together **with all other Indebtedness secured by this Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, Security Agreement, Assignment of Leases and Rents And Fixture Filing**, which are delivered hereby and to reconvey, without warranty, all the estate now held by you under this Deed of Trust, Security Agreement, Assignment of Leases and Rents And Fixture Filing to the person or persons legally entitled thereto.

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

Unofficial Copy

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

A portion of Lots 3 and 4 of Block 15, Original Town of Linkville, now City of Klamath Falls, to wit

Beginning at a point on the Northerly line of Main Street (which is the Southerly line of Lot 4 in Block 15 of Original Town of Linkville, now City of Klamath Falls, Oregon) which is 60 feet Easterly from the most Southerly corner of said Lot 4; thence Easterly along the Northerly line of Main Street and the Southerly line of Lots 3 and 4 of said Block 15 to a point which is 20 feet Westerly from the most Easterly corner of said Lot 3; thence Northerly parallel to Sixth Street 120 feet to the Northerly line of Lot 3; thence Westerly along the Northerly line of Lots 3 and 4 to a point 60 feet Easterly from the most Westerly corner of Lot 4; thence Southerly and parallel to Sixth Street 120 feet to the point of beginning, constituting all of said Lot 3, excepting the Easterly 20 feet thereof and all of Lot 4, except the Westerly 60 feet thereof.

Property ID No.: R412770

Map Tax Lot No.: 3809-032AB-05900