

When Recorded, Return to:

Joseph M. Mabe, Esq.
Brownstein Rask
1200 SW Main St.
Portland, OR 97205

DEED OF TRUST

DATE: November 30, 2013

GRANTOR: Ted Anderson, Trustee of the Ted L. Anderson Revocable Trust and
Shirley T. Anderson, Trustee of the Shirley T. Anderson Revocable Trust
P.O. Box 1489
Cannon Beach, OR 97110

BENEFICIARY: 1051 Bond Street, LLC
Attn: Steve Schwanke
P.O. Box 967
Menlo Park, CA 94205

TRUSTEE: Joseph M. Mabe, Esq.
c/o Brownstein Rask
1200 SW Main Street
Portland, OR 97205-2040

ASSESSORS TAX ACCOUNT NO. OF PROPERTY: 01051120110000

1. **Conveyance.** Grantor irrevocably grants and conveys to Trustee in trust, with power of sale, all of Grantor's right, title and interest in the real property legally described as follows (the "Real Property"), to be held as security for the payment and performance of the obligations as defined below:

Lot 1 of the MAPELLI-PINNELL SHORT PLATS, recorded in Book "3" of SHORT PLAT, page 293,
records of Skamania County, Washington.

2. **Obligations Secured.** This Deed of Trust (the "Trust Deed"), is given to secure: the payment and performance of all obligations of Grantor under this Trust Deed; all sums advanced by Beneficiary to protect the Real Property or to pay or perform any obligations of Grantor hereunder; the Letter Agreement between Ted Anderson and Beneficiary entered into on November 30, 2013, pursuant to which Ted Anderson owes Beneficiary the sum of \$130,000.00, the final payment of which, if not sooner paid, is due and payable on or before July 1, 2014, as modified, supplemented, extended, renewed or replaced from time to time (the "Agreement"); any other obligations by Grantor to Beneficiary evidenced by agreements which reference being secured by this Trust Deed; and all obligations, debts, claims and liabilities of Grantor to Beneficiary (individually or collectively), regardless of whether recovery is barred by any statute of limitations or are otherwise unenforceable, plus interest thereon, now existing or hereafter arising, voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or non-liquidated (including those in which Grantor is obligated as guarantor, surety, accommodation, party or otherwise) (collectively referred to herein as the "Obligations"). For the avoidance doubt, Grantor's sole liability is limited to this Trust Deed and Beneficiary shall not be able to collect from Grantor any deficiency that may arise from foreclosure of this Trust Deed.

3. **Taxes, Liens and Encumbrances.** Grantor shall pay before delinquent all taxes, liens, encumbrances, charges and assessments affecting the Collateral.

4. **Trust Expenses.** Grantor shall pay all costs, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of this Trust Deed following a default.

5. **Fire Insurance.** Grantor shall, at Grantor's expense, maintain in force fire and extended coverage insurance on the Collateral in an amount reasonably required by Beneficiary, with loss payable to Beneficiary, with such insurance coverage to contain a waiver of the insurer's right of subrogation against Beneficiary.

6. **Liability Insurance.** Grantor shall, at Grantor's expense, maintain in force policies of liability insurance in amounts reasonably required by Beneficiary, with Beneficiary as an additional insured thereunder, insuring against any claims related to or arising from the use, occupancy or condition of the Collateral.

7. **Indemnification of Trustees and Beneficiary.** Grantor shall hold Trustee and Beneficiary harmless from and indemnify them for any and all claims raised by any third party against Trustee or Beneficiary resulting from their interests hereunder or the acts of Grantor. Such indemnification shall include reasonable attorneys' fees and costs.

8. **Right of Beneficiary or Trustee to Pay or Perform Obligations of Grantor.** If Grantor fails or refuses to pay any sums due to be paid by it under the provisions of this Trust Deed, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right to pay any such sum due to be paid by Grantor and to perform any act necessary to protect the Beneficiary's interest in the Collateral. The amount of such sums paid by Beneficiary or Trustee and the cost of any such action, together with interest thereon at 9% per annum, from the date of payment until satisfaction, shall be added to the Obligations. The payment by Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefor.

9. **Condemnation.** Any award of damages in connection with any condemnation or injury to any of the Collateral by reason of public use or for damages for private trespass or injury thereto are assigned and shall be paid to Beneficiary, to be applied to the payment of the Obligations in such manner as Beneficiary may elect. Any remaining balance shall be paid to Grantor. Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Grantor. Unless Grantor and Beneficiary otherwise agree in writing, any application of such proceeds shall not extend or postpone the due dates of any installment payments of the Obligations or change the amount of such payments.

10. **Care of Collateral.** Grantor shall take reasonable care of the Collateral and shall maintain it in good repair and condition as at the original date of this Trust Deed. If Grantor fails to maintain the Collateral as required, the Beneficiary or Trustee, at their option, may perform necessary maintenance and repairs, and add the cost thereof to the Obligations.

11. **Due on Sale.** If there is a sale or transfer of any interest in the Collateral, all amounts secured by this Trust Deed shall be immediately due and payable, without notice. For purposes of this Agreement, a "sale or transfer" shall be construed broadly to include, without limitation, the sale, conveyance or assignment of all or any interest in the Collateral, voluntarily or involuntarily, including the granting of a security interest in the Collateral by mortgage, trust deed, security agreement or otherwise, other than the existing KeyBank mortgage, outright sale, installment contract, granting a leasehold interest not terminable on 30 days notice, lease option agreement, gift or consignment.

12. **Event of Default.** Each of the following shall be considered an event of default of this Trust Deed: (a) the failure of Grantor to pay or perform the Obligations or any term, obligation, covenant or condition in any other agreement between Grantor and Beneficiary on or before the due date thereof; (b) the failure of Grantor to perform any duty required by this Trust Deed; (c) the abandonment of the Collateral by Grantor; (d) a default under the terms of the first mortgage on the Real Property, originally with KeyBank; (e) sale or assignment of any interest in the Collateral (including without limitation, assignment for security purposes) without the prior written consent of Beneficiary, which may be granted, withheld or conditioned in Beneficiary's sole discretion; or (f) the filing, execution or occurrence of: (1) a petition in bankruptcy by or against Grantor, (2) a petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, (3) the adjudication of Grantor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense, (4) an assignment by Grantor for the benefit of creditors, whether by trust, mortgage or otherwise, or (5) a petition or other

proceedings by or against Grantor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Grantor with respect to all or substantially all its property.

13. **Remedies on Default.** On default, Beneficiary shall have all rights and remedies available under this Agreement or applicable law (all such rights and remedies to be cumulative) including without limitation: (a) to foreclose this Trust Deed as a Mortgage or by advertisement and sale under applicable law; and (b) to declare all Obligations immediately due and payable.

14. **Acts of Trustee Affecting Collateral.** If the Trustee, in its sole discretion, releases or conveys all or any portion of the Collateral such action shall not affect the personal liability of any person for payment of the Obligations and without affecting the security hereof for the full amount secured hereby on all remaining Collateral, and without the necessity that any sum representing the value or any portion thereof of the Collateral affected by Trustee's action be credited on the indebtedness.

15. **Satisfaction of the Obligation.** On written request of Beneficiary, surrender of this Trust Deed and the Agreement for cancellation and payment of Trustee's fees, the Trustee will release and reconvey the Collateral as follows: (a) the reconveyance shall be, without covenant or warranty, express or implied; (b) recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof; and (c) the grantee in such reconveyance will be described as "the person or persons legally entitled thereto."

16. **Notices.** Copies of all notices and communications concerning this Trust Deed shall be mailed to the parties at the addresses specified in this Trust Deed. Any change of address shall be communicated to the other parties in writing. Any documents which may adversely affect the rights of any party to this Trust Deed shall be delivered by Certified Mail, Return Receipt Requested, facsimile, personal service or any other means which will reasonable result in actual notice.

17. **Headings.** The marginal or topical headings of the provisions herein are for convenience only and do not define, limit or construe the contents of these provisions.

18. **Interpretation.** In this Trust Deed, whenever the context so requires, masculine gender includes the feminine and neuter, and the singular includes the plural and vice versa.

19. **Applicable Law.** This Trust Deed shall be subject to and governed by the laws of the State of Oregon, regardless of the fact that one or more parties now is or may become a resident of a different state.

20. **Waiver.** Any waiver by any party of a breach of any provision of this Trust Deed shall not operate or be construed as a waiver of any subsequent breach hereof.

21. **Succession of Benefits.** The provisions of this Trust Deed shall benefit and bind the parties, their heirs, personal representatives and permitted assigns.

22. **Successor Trustee.** Beneficiary may appoint a Successor Trustee by delivering written notice of such appointment to the Successor Trustee, or in the manner prescribed by law. A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Grantor.

23. **Entire Agreement.** The terms of this Trust Deed and the Agreement constitute the entire agreement among the parties, and the parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Trust Deed or the Agreement.

24. **Time of Essence.** Time is of the essence in this Trust Deed and every term, condition, covenant and provision hereof.

25. **Modification.** No modification of this Trust Deed shall be binding unless evidenced by an agreement in writing and signed by all parties.

26. **Partial Invalidity.** If any provision of this Trust Deed is held to be invalid or unenforceable, all the remaining provisions

shall nevertheless continue in full force and effect.

27. **Covenants, Representation and Warranties.** Grantor covenants, represents and warrants to Beneficiary: (a) Grantor is the owner of the Collateral free and clear of all liens and encumbrances, other than the KeyBank mortgage. (b) The Collateral has not been used for the storage or disposal of hazardous materials. (c) The Real Property and its present and intended use comply with all applicable laws and zoning requirements. (d) The Agreement and this Trust Deed are valid and binding legal obligations of Grantor are enforceable in accordance with their terms. (e) The lien, security interest and assignments created by the Trust Deed will, when recorded, be valid, effective, properly perfected and enforceable liens, security interest and assignments. (f) The execution, delivery and performance by Grantor of the Agreement and Trust Deed will not result in any breach of the terms or conditions of, or constitute a default under any agreement, or instrument under which Grantor is a party or otherwise obligated. (g) No action, suit or proceeding is pending or threatened against Grantor that may materially and adversely effect the repayment of the Agreement and performance by Grantor under this Trust Deed or the financial conditions of Grantor. (h) Grantor will not commit, permit or suffer any use or occupancy of the Collateral which constitutes a public or private nuisance, or which materially decreases the value of the Collateral. (i) Grantor will not make any material alteration, improvement, addition, utility installation or the like to the Collateral, or remove or replace any item of personal property included in the Collateral, without the prior written consent of Beneficiary, which may be withheld, granted or conditioned in Grantor's sole discretion.

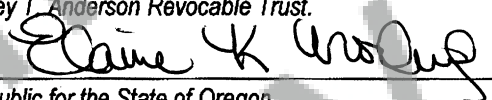
28. **Miscellaneous.** (a) In the event of legal action or suit related to or arising from this Agreement, the prevailing party shall be entitled to recover, in addition to any other remedy or relief, their reasonable attorney fees as may be established by the Court at trial or on appeal. (b) If Beneficiary is made a Defendant to any litigation concerning this Trust Deed or the trust estate or any part hereof, Grantor shall indemnify, defend and hold Beneficiary harmless from all liability relating to or arising from such litigation, including reasonable attorney fees and expenses incurred by Beneficiary in any such litigation.


"Grantor"


TED ANDERSON, TRUSTEE OF THE TED L. ANDERSON REVOCABLE TRUST

STATE OF OREGON)
County of CLATSOP)

This instrument was acknowledged before me on ~~November 22~~ December 22, 2013 by Ted Anderson, Trustee of the Ted L. Anderson Revocable Trust and Shirley T. Anderson, Trustee of the Shirley T. Anderson Revocable Trust.


Notary Public for the State of Oregon


SHIRLEY T. ANDERSON, TRUSTEE OF THE SHIRLEY T. ANDERSON REVOCABLE TRUST

