

Skamania County, WA
Total: \$1,249.00 Pgs=35
TRST AGLS
Request of: COLUMBIA GORGE TITLE- SKAMANIA
eRecorded by: Simplifile

2024-001428

10/01/2024 03:33 PM

When Recorded Return To:

JWR Law, LLC
c/o Wes Raborn
1430 16th St. NE
Salem, OR 97301

Until a change is requested
all tax statements shall be
sent to the following:

Bonneville Resorts, LLC
3295 NW 114th St.
Portland, OR 97229
Att: Sazzadur Rahman

1 23 22 32

Document Title

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

Grantors

Bonneville Resorts, LLC,
an Oregon limited liability company
3295 NW 114th St.
Portland, Oregon 97229

Grantee

Pirfil Cam, Trustee
Pirfil Cam Living Trust dated July 23, 2015
P.O. Box 69
Gervis, OR 97206

Legal Description: Exhibit A Pg 34

Abbreviated Legal: Lot 1 of the BHS S/P #2015000078

Assessor's Property Tax Parcel/Account Number: 02071630020000 and 02071630020006

Location

1252 E. Cascade Dr., North Bonneville, WA

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

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the "Instrument") is made to be effective **September 26, 2024**, by Bonneville Resorts, LLC, an Oregon limited liability company, whose address is 3295 NW 114th St. St. Portland, OR 97229, as grantor ("**Borrower**"), to First American Title Insurance Company, 8311 W. Sunset Rd., Suite 100, Las Vegas, NV 89113, as Trustee ("**Trustee**"), for the benefit of Pirfil Cam, Trustee, of the Pirfil Cam Trust dated July 23, 2015 whose address is P.O. Box 69, Gervis, Oregon 97206, as grantee ("**Lender**").

Borrower in consideration of the Indebtedness and the trust created by this Instrument, irrevocably grants, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, the Mortgaged Property, including the Land located in **Skamania County, State of Washington** and described in **Exhibit A** attached to this Instrument.

TO SECURE TO LENDER the repayment of the Indebtedness evidenced by Borrower's Promissory Note ("Note") payable to Lender, dated as of the date of this Instrument, and maturing on **September 25, 2027** (the "**Maturity Date**"), in the principal amount of **Ten Million Two Hundred Thousand Dollars (US \$10,200,000.00)**, and all renewals, extensions and modifications of the Indebtedness, the payment of all sums advanced by or on behalf of Lender to protect the security of this Instrument under Section 12, and the performance of the covenants and agreements of Borrower contained in the Loan Documents. This Deed of Trust shall also secure, in addition to the Note and the Indebtedness, as defined below, all notes given in renewal and extension of any such indebtedness, without the execution by Borrower of any additional extension agreement or renewal deed of trust; provided, however, Lender shall not be obligated in any respect to renew or extend said indebtedness or any part thereof.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered, except as shown on the schedule of exceptions to coverage in the title policy issued to and accepted by Lender contemporaneously with the execution and recordation of this Instrument and insuring Lender's interest in the Mortgaged Property (the "Schedule of Title Exceptions"). Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any easements and restrictions listed in the Schedule of Title Exceptions.

Covenants. In consideration of the mutual promises set forth in this Instrument, Borrower and Lender covenant and agree as follows:

1. DEFINITIONS. The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

1.01 "Assignment" means that certain Assignment of Leases and Rents dated the same date as this Instrument, executed by Borrower, as Assignor, in favor of Lender, as Assignee, affecting the Mortgaged Property and given as additional security for the Indebtedness.

1.02 "Attorneys' Fees and Costs" means (i) fees and out-of-pocket costs of Lender's attorneys, as applicable, including costs of Lender's in-house counsel, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses; (ii) costs and fees of expert witnesses, including appraisers; and (iii) investigatory fees.

1.03 "Borrower" means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with its successors and assigns.

1.04 "Controlling Entity" means an entity which owns, directly or indirectly through one or more intermediaries, (A) a general partnership interest or a Controlling Interest of the limited partnership interests in Borrower (if Borrower is a partnership or joint venture), (B) a manager's interest in Borrower or a Controlling Interest of the ownership or membership interests in Borrower (if Borrower is a limited liability company), or (C) a Controlling Interest of any class of voting stock of Borrower (if Borrower is a corporation).

1.05 "Controlling Interest" means (i) fifty-one percent (51%) or more of the ownership interests in an entity, or (ii) a percentage ownership interest in an entity of less than fifty-one percent (51%), if the owner(s) of that interest actually direct(s) the business and affairs of the entity without the requirement of consent of any other party.

1.06 "Event of Default" means the occurrence of any event listed in Section 21.

1.07 "Fixtures" means all property owned by Borrower which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: security equipment, cameras, television monitors, coolers, freezers, beverage dispensing equipment, safes, air compressors, tools, car wash equipment, signs, vending machines, automated teller machines; doors, windows, window screens and shades, floor coverings, cabinets, disposals, range hoods, dishwashing equipment, televisions, speakers, radios, communications, heating, lighting, ventilating, refrigeration, air conditioning and air cooling equipment and systems, gas and electric machinery, cooking equipment, tools, awnings, motors, compressors, condensing units, water-heating equipment, furnaces, pipes, plumbing equipment, sprinkler systems, fire extinguishing apparatus and systems, maintenance equipment and water tanks.

1.08 "Governmental Authority" means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

1.09 "Hazard Insurance" is defined in Section 18.

1.10 "Hazardous Materials" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable

materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" within the meaning of any Hazardous Materials Law.

1.11 "Hazardous Materials Laws" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to Borrower or to the Mortgaged Property. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, the Toxic Substance Control Act, 15 U.S.C. Section 2601, *et seq.*, the Clean Water Act, 33 U.S.C. Section 1251, *et seq.*, the Emergency Planning and Community Right-to-Know Act of 1986, as amended, the Solid Waste Disposal Act, as amended, the Clean Air Act, as amended, the Safe Drinking Water Act, as amended, the Occupational Safety and Health Act, as amended, and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs.

1.12 "Impositions" and "Imposition Deposits" are defined in Section 7.01.

1.13 "Improvements" means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

1.14 "Indebtedness" means the principal of, interest at the variable rate set forth in the Note on, and all other amounts due at any time under, the Note, this Instrument or any other Loan Document, including late charges, default interest, and advances as provided in Section 12 to protect the security of this Instrument. To the fullest extent permitted by law, this Deed of Trust shall also secure all funds hereinafter advanced by Lender to Borrower for the benefit or account of Borrower pursuant to any covenant or agreement herein contained or for any other purpose, and all other indebtedness now owing or hereafter to become owing to Lender by Borrower, whether such indebtedness is direct, contingent, primary, or secondary and whether it is evidenced by note or otherwise, it being expressly understood that it is contemplated that Borrower will become further indebted to Lender in the future.

1.15 "Initial Owners" means, with respect to Borrower or any other entity, the person(s) or entity(ies) that (i) on the date of the Note, or (ii) on the date of a Transfer to which Lender has consented, own in the aggregate 100% of the ownership interests in Borrower or that entity.

1.16 "Land" means the land described in Exhibit A attached hereto and fully incorporated herein for all purposes.

1.17 "Leases" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property, and all modifications, extensions or renewals.

1.18 "Lender" means Pirfil Cam, Trustee of the Pirfil Cam Trust dated July 23, 2015, or any subsequent holder of the Note. Lender may assign, sell or transfer its interest in the Loan Documents to any third party at Lender's sole discretion.

1.19 "Loan Documents" means the Note, this Instrument, the Assignment, all security agreements, all business loan agreements, and any other documents now or in the future executed by Borrower in connection with the loan evidenced by the Note, as such documents may be amended from time to time.

1.20 "Mortgaged Property" means all of Borrower's present and future right, title and interest in and to all of the following: (1) the Land; (2) the Improvements; (3) the Fixtures; (4) the Personalty; (5) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated; (6) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement; (7) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof; (8) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations; (9) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; (10) all Rents and Leases; (11) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Instrument and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents; (12) all Imposition Deposits; (13) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated); (14) all guest security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits; (15) all and singular the tenements, hereditaments and appurtenances to the above described property belonging, or in anywise appertaining, including all buildings and improvements and other property of every kind, character and description attached thereto or used in connection therewith; and (16) all names under or by which any of the above Mortgaged Property may be

operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property.

1.21 "Note" means the Promissory Note described in the third paragraph of this Instrument, including all schedules, riders, allonges and addenda, as such Promissory Note may be amended from time to time.

1.22 "Personalty" means all: (i) accounts (including deposit accounts); (ii) equipment and inventory owned by Borrower, which are used now or in the future in connection with the ownership, management or operation of the Land or Improvements or are located on the Land or Improvements, including furniture, furnishings, machinery, building materials, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software); (iii) other tangible personal property including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances (other than Fixtures); (iv) any operating agreements relating to the Land or the Improvements; (v) any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements; (vi) all other intangible property, general intangibles and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and including subsidy or similar payments received from any sources, including a governmental authority; and (vii) any rights of Borrower in or under letters of credit.

1.23 "Property Jurisdiction" is defined in Section 29.01.

1.24 "Rents" means all rents, revenues and other income of the Land or the Improvements, including guest payments, parking fees, food items, and vending machine income and fees and charges for other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.

1.25 "Taxes" means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

1.26 "Transfer" is defined in Section 20.

2. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

2.01 This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, "UCC Collateral"), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to prepare and file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest and Borrower agrees, if Lender so requests, to execute and deliver to Lender such financing statements, continuation

statements and amendments. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements and/or amendments that Lender may require. Without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral. Unless Borrower gives notice to Lender within 30 days after the occurrence of any of the following, and executes and delivers to Lender modifications or supplements of this Instrument (and any financing statement which may be filed in connection with this Instrument) as Lender may require, Borrower shall not (i) change its name, identity, structure or jurisdiction of organization; (ii) change the location of its place of business (or chief executive office if more than one place of business); or (iii) add to or change any location at which any of the Mortgaged Property is stored, held or located. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies. This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property that is or may become a Fixture, if permitted by applicable law. Information concerning the security interest created by this instrument may be obtained from Lender, as Secured Party, at the address of Lender set forth at the top of this Deed of Trust. The mailing address of Borrower, as Debtor, is set forth on page 1.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

3.01 As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the "Mortgaged Property" as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Instrument create and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

3.02 After the occurrence of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities,

Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Instrument. From and after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents shall automatically terminate and Lender shall without notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid. Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the date of Lender's demand for Rents, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, no tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender's collection of such Rents.

3.03 Except for any senior lien holder previously consented to by Lender in writing, in Lender's sole direction, Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing indebtedness that will be paid off and discharged with the proceeds of the loan evidenced by the Note), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents. Borrower shall not collect or accept payment of any Rents more than one (1) month prior to the due dates of such Rents.

3.04 If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3.01, protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law. Lender or the receiver, as the

case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon the Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including computer files and other records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

3.05 If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law.

3.06 If the Rents are not sufficient to meet the costs of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.

3.07 Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

4. ASSIGNMENT OF LEASES/MANAGEMENT AND FRANCHISE AGREEMENTS AFFECTING THE MORTGAGED PROPERTY.

4.01 As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases/Management Agreements/Franchise Agreements affecting the Land ("Leases"), including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the "Mortgaged Property" as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Instrument create and perfect a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Instrument.

4.02 Until Lender gives notice to Borrower of Lender's exercise of its rights under this Section 4, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. Upon the occurrence of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.

4.03 Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4.01 shall not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

4.04 Upon delivery of notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

4.05 Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each Lease then in effect.

4.06 Borrower further covenants with Lender that (i) all Leases shall be written on a standard form of lease that has been or will be approved in writing in advance by Lender; (ii) upon request, Borrower shall furnish Lender with executed copies of all Leases and all amendments thereto; (iii) no material changes may be made to the Lender-approved standard lease without the prior written consent of Lender; (iv) all renewals of Leases and all proposed Leases shall provide for rental rates comparable to existing local market rates and shall be arm's-length transactions; (v) all Leases shall provide that (A) they are subordinate to this Security Instrument and any other indebtedness now or hereafter secured by the Mortgaged Property, (B)

Lessees agree to attorn to Lender (such attornment to be effective upon Lender's acquisition of title to the Mortgaged Property), (C) Lessees agree to execute such further evidences of attornment as Lender may from time to time request, (D) the attornment of Lessees shall not be terminated by foreclosure, (E) Lender may, at Lender's option, accept or reject such attornment, and (F) Lessees agree to execute and acknowledge a subordination, attornment and non-disturbance agreement in form and content acceptable to Lender, and, two times in any calendar year, as Lender may request, a certificate signed by Lessee confirming and containing such factual certifications and representations deemed appropriate by Lender; (vi) Borrower shall not grant any purchase options without the prior written approval of Lender, and (vii) all new Leases shall be subject to the prior written approval of Lender.

4.07 Borrower shall not receive or accept Rent or any other amount due under any Lease for more than one (1) month in advance.

5. PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS. Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents.

6. FULL RECOURSE PERSONAL LIABILITY. Borrower shall have full recourse personal liability under the Note, this Instrument and all other Loan Documents for the repayment of the Indebtedness and for the performance of any and all other obligations of Borrower under the Note, this Instrument and all other Loan Documents.

7. DEPOSITS FOR TAXES, INSURANCE AND OTHER CHARGES.

7.01 Borrower shall deposit with Lender on the day monthly installments of principal or interest, or both, are due under the Note (or on another day designated in writing by Lender), until the Indebtedness is paid in full, an additional amount sufficient to accumulate with Lender the entire sum required to pay, when due (1) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property, (2) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Lender may require under Section 18, (3) Taxes, and (4) amounts for other charges and expenses which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender's interests, all as reasonably estimated from time to time by Lender, plus one-sixth of such estimate. The amounts deposited under the preceding sentence are collectively referred to in this Instrument as the "Imposition Deposits". The obligations of Borrower for which the Imposition Deposits are required are collectively referred to in this Instrument as "Impositions". The amount of the Imposition Deposits shall be sufficient to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Lender shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Lender are held for the purpose of paying Taxes, insurance premiums and each other obligation of Borrower for which Imposition Deposits are required. Any waiver by Lender of the requirement that Borrower remit Imposition Deposits to Lender may be revoked by Lender, in Lender's discretion, at any time upon notice to Borrower.

7.02 Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency. Lender shall not be obligated to open additional accounts or deposit Imposition Deposits in additional institutions when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. Lender shall apply the Imposition Deposits to pay Impositions so long as no Event of Default has occurred and is continuing. Unless applicable law requires, Lender shall not be required to pay Borrower any interest, earnings or profits on the Imposition Deposits. Borrower hereby pledges and grants to Lender a security interest in the Imposition Deposits as additional security for all of Borrower's obligations under this Instrument and the other Loan Documents. Any amounts deposited with Lender under this Section 7 shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose under Section 7.05.

7.03 If Lender receives a bill or invoice for an Imposition, Lender shall pay the Imposition from the Imposition Deposits held by Lender. Lender shall have no obligation to pay any Imposition to the extent it exceeds Imposition Deposits then held by Lender. Lender may pay an Imposition according to any bill, statement or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement or estimate or into the validity of the Imposition.

7.04 If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender plus one-sixth of such estimate, the excess shall be credited against future installments of Imposition Deposits. If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition is less than the amount reasonably estimated by Lender to be necessary plus one-sixth of such estimate, Borrower shall pay to Lender the amount of the deficiency within 15 days after written request by Lender.

7.05 If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in any amounts and in any order as Lender determines, in Lender's discretion, to pay any Impositions or as a credit against the Indebtedness. Upon payment in full of the Indebtedness, Lender shall refund to Borrower any Imposition Deposits held by Lender.

8. [Intentionally deleted]

9. APPLICATION OF PAYMENTS. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount which is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Instrument and the Note shall remain unchanged.

10. WARRANTIES AND REPRESENTATIONS. For the purpose of securing the payment of any and all of the indebtedness secured hereby, Borrower hereby warrants, represents, covenants and agrees with Lender and Trustee as follows:

10.01 COMPLIANCE WITH LAWS. Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

10.02 FURTHER ASSURANCES. Borrower, upon the request of Lender, shall execute, acknowledge, deliver, and record such further instruments and do such further acts as may be necessary, desirable or proper to carry out the purposes of the Note, this Deed of Trust and all other documents and instruments evidencing or securing the Note, and to subject to the liens and security interests created thereby any property intended by the terms thereof to be covered thereby, including specifically but without limitation any renewals, additions, substitutions, replacements, improvements, or appurtenances to the Mortgaged Property. In addition, Borrower, upon the request of Lender, will provide such additional documents, certificates, evidences, reports, information, affidavits or other instruments and will do such further acts as may be necessary, desirable or proper to enable Lender to comply with the requirements or requests of any agency having jurisdiction over Lender or any examiners of such agencies with respect to the Note, Borrower or the Mortgaged Property.

10.03 RECORDING AND FILING. Borrower shall cause this Deed of Trust and all amendments, supplements and extensions thereto and substitutions therefor to be recorded, filed, re-recorded and refilled in such manner and in such places as Lender shall reasonably request, and shall pay all such recording, filing, re-recording and refilling fees, title insurance premiums and other charges.

10.04 REPORTS. All reports, statements and other data furnished by Borrower or any guarantor of the Note to Lender in connection with the Note are true and correct in all material respects and do not omit to state any fact or circumstance necessary to make the statements contained therein not misleading. No material adverse change has occurred in the financial condition of Borrower or any guarantor of the note, or of any tenant under the Leases since the date of such reports, statements and other data.

10.05 NO FINANCING STATEMENTS. There is no financing statement covering the Mortgaged Property or its proceeds on file in any public office, except in favor of Lender as secured party.

10.06 INSPECTION OF BOOKS AND RECORDS. Borrower shall permit Lender, upon forty-eight (48) hours prior written notice, to examine and copy the books and records of Borrower pertaining to this loan and the Mortgaged Property, and all contracts, statements, invoices, bills, and claims for labor, materials, and services supplied for the construction and operation of the Improvements.

10.07 WARRANTIES. Borrower hereby represents and warrants that:

- A. Borrower has obtained any and all permits, licenses or authorization required, by reason of any Environmental Laws, to construct, occupy, operate and use the Mortgaged Property.
- B. The use which Borrower makes and intends to make of the Mortgaged Property will not result in the disposal or release of any Hazardous Materials on, in or to the Mortgaged Property or the violation of any Environmental Laws.
- C. Borrower shall not cause or permit any Hazardous Materials to contaminate the Mortgaged Property.
- D. Borrower shall not cause any violation of any Environmental Laws. Borrower shall not permit any tenant of any portion of the Mortgaged Property to cause any violation of any Environmental Laws. Borrower shall not permit any liens arising under any Environmental Laws to be placed on any portion of the Mortgaged Property.

11. USE OF PROPERTY. Unless required by applicable law, Borrower shall not (a) except for any change in use approved by Lender, allow changes in the use for which all or any part of the Mortgaged Property is being used at the time this Instrument was executed, or (b) initiate or acquiesce in a change in the zoning classification of the Mortgaged Property, or (c) alter or modify any senior secured loan Borrower is a party to for the acquisition of the Property currently recorded with the Skamania County Official Records with respect to the Mortgaged Property.

12. PROTECTION OF LENDER'S SECURITY.

12.01 If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (1) payment of fees and out of pocket expenses of attorneys, accountants, inspectors and consultants, (2) entry upon the Mortgaged

Property to make repairs or secure the Mortgaged Property, (3) procurement of the insurance required by Section 18, and (4) payment of amounts which Borrower has failed to pay under Sections 15 and 17.

12.02 Money advanced by Lender for the benefit or account of Borrower, as herein provided, as well as all other indebtedness hereafter owing by Borrower to Lender shall be payable to Lender at the same place where the Note is payable, and shall bear interest at the same rate per annum that said Note bears from accrual of said indebtedness until paid. All funds advanced by the Lender to Borrower, or for the benefit or account of Borrower, as herein provided, shall be payable immediately, without demand, to Lender. If the Note or any other indebtedness secured hereby shall be collected by legal proceedings or through the probate or bankruptcy court, or shall be placed in the hands of an attorney for collection after its maturity, whether matured by the expiration of time or by the exercise of the option given to the Lender to mature it, Borrower agrees that reasonable attorney's fees shall be paid to the Lender as attorney's or collection fees, which shall be a part of the indebtedness secured hereby.

12.03 Any amounts disbursed by Lender under this Section 12, or under any other provision of this Instrument that treats such disbursement as being made under this Section 12, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the default interest rate as provide for in Paragraph 8 of the Note.

12.04 Nothing in this Section 12 shall require Lender to incur any expense or take any action.

13. INSPECTION. Lender, its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests) during normal business hours, or at any other reasonable time.

14. BOOKS AND RECORDS; FINANCIAL REPORTING.

14.01 Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent's offices, and upon Lender's request shall make available at the Mortgaged Property, complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender.

14.02 Borrower shall furnish to Lender all of the following:

A. Borrower shall furnish to Lender, as soon as practicable, and in any event mailed within ninety (90) days after the end of Borrower's fiscal year, the following information: (a) Borrower's financial statement of annual income and expenses and balance sheet certified by Borrower; (b) Borrower's federal income tax return no later than ten (10) days after said return has been filed with the Internal Revenue Service; and (c) with reasonable promptness, such other financial

data as Lender may reasonably request. All financial statements shall be in form and content satisfactory to Lender in Lender's sole discretion.

B. Borrower shall cause each member of Borrower to furnish to Lender upon Lender's request at least annually or sooner if requested by Lender, his personal financial statement in form satisfactory to Lender and certified by him.

14.03 Each of the statements, schedules, documents, items and reports required by Section 14.02 shall be certified to be complete and accurate by an individual having authority to bind Borrower, and shall be in such form and contain such detail as Lender may reasonably require. Lender also may require that any statements, schedules or reports be audited at Borrower's expense by independent certified public accountants acceptable to Lender.

14.04 If Borrower fails to provide in a timely manner the statements, schedules and reports required by Section 14.02, then such failure shall constitute an Event of Default and, in addition to any other remedies which may be available to Lender as a result of such Event of Default, Lender shall have the right to have Borrower's books and records audited, at Borrower's expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender shall become immediately due and payable and shall become an additional part of the Indebtedness as provided in Section 12.

14.05 In addition to or in lieu of exercising any of its rights or remedies under the Note, in the event Borrower and/or Guarantors fail to provide the financial information as required hereunder or under the Loan Documents, Lender shall have the right to increase the Interest Rate (as defined in the Note) for a period commencing three (3) days after delivery of written notice to Borrower of such default and ending upon the curing of said noticed default, by one-half of one percent (.50%) for the first thirty (30) days, and to increase the Interest Rate an additional one-fourth of one percent (.25%) for each thirty (30) day period thereafter during which the noticed default continues uncured; provided, however, the Interest Rate shall never exceed the Maximum Rate (as defined in the Note). Such default interest rates shall apply to the outstanding principal balance of the Note. Upon the curing of the noticed default, the interest rate on the Note shall revert to the initially agreed upon Interest Rate effective on the date on which the default is cured. Such additional interest shall be due and payable with each regularly scheduled payment as set forth herein. All notices to Borrower shall be deemed to be received upon the earlier of actual receipt or three (3) days after deposit in the U.S. Mail, postage prepaid, certified or registered mail, addressed to Borrower at the address set forth in the Deed of Trust. Any noticed default shall be deemed to be cured only at such time as Borrower and/or Guarantors have provided Lender with evidence satisfactory to Lender, in its sole discretion, that such default has been cured. Nothing contained in this paragraph shall be deemed to be an election of remedies by Lender or a waiver of any of its rights or remedies contained in the Note or other document or instrument evidencing or securing the Note, including, but not limited to, Lender's right to accelerate the Note.

14.06 If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.

14.07 Borrower authorizes Lender to obtain a credit report on Borrower at any time.

15. TAXES; OPERATING EXPENSES.

15.01 Subject to the provisions of Section 15.03 and Section 15.04, Borrower shall pay, or cause to be paid, all Taxes when due and before the addition of any interest, fine, penalty or cost for nonpayment.

15.02 Subject to the provisions of Section 15.03, Borrower shall pay the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added.

15.03 As long as no Event of Default exists and Borrower has timely delivered to Lender any bills or premium notices that it has received, Borrower shall not be obligated to pay Taxes, insurance premiums or any other individual Imposition to the extent that sufficient Imposition Deposits are held by Lender for the purpose of paying that specific Imposition. If an Event of Default exists, Lender may exercise any rights Lender may have with respect to Imposition Deposits without regard to whether Impositions are then due and payable. Lender shall have no liability to Borrower for failing to pay any Impositions to the extent that any Event of Default has occurred and is continuing, insufficient Imposition Deposits are held by Lender at the time an Imposition becomes due and payable or Borrower has failed to provide Lender with bills and premium notices as provided above.

15.04 Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (1) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (2) the Mortgaged Property is not in danger of being sold or forfeited, (3) Borrower deposits with Lender reserves sufficient to pay the contested Imposition, if requested by Lender, and (4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested Imposition.

15.05 Borrower shall promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments.

16. LIENS; ENCUMBRANCES. Borrower acknowledges that the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a "Lien") on the Mortgaged Property (other than the lien of this Instrument) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Instrument, is a "Transfer" which constitutes an Event of Default under Section 20 of this Instrument.

17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY. Borrower (a) shall not commit waste or permit impairment or deterioration of the Mortgaged Property, (b) shall not abandon the Mortgaged Property, (c) shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the

Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair, (d) shall keep the Mortgaged Property in good repair, including the replacement of Personalty and Fixtures with items of equal or better function and quality, (e) shall provide for professional management of the Mortgaged Property by a property manager satisfactory to Lender under a contract approved by Lender in writing, and (f) shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument. Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property except in connection with the replacement of tangible Personalty.

18. PROPERTY AND LIABILITY INSURANCE.

18.01 Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, tsunami damage and business income coverage. Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any of the Improvements is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood and tsunami damage. All insurance required pursuant to this Section 18.01 shall be referred to as "Hazard Insurance."

18.02 All premiums on insurance policies required under Section 18.01 shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 18.01. Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to Lender the original (or a duplicate original) of a renewal policy in form satisfactory to Lender.

18.03 Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time require.

18.04 All insurance policies and renewals of insurance policies required by this Section 18 shall be in such amounts and for such periods as Lender may from time to time require, shall be in such form and contain such endorsements as Lender may from time to time require, and shall be issued by insurance companies satisfactory to Lender.

18.05 Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

18.06 In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 18 shall require Lender to incur any expense or take any action. Lender may, at Lender's option, (1) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the "Restoration"), or (2) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall do so in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar properties.

18.07 Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (1) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (2) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (3) Lender determines, in its discretion, that the rental income from the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; and (4) Lender determines, in its discretion, that the Restoration will be completed before the earlier of (A) one year before the maturity date of the Note or (B) one year after the date of the loss or casualty.

18.08 If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

18.09 If required by Lender, Borrower shall maintain environmental liability insurance on the Mortgaged Property, insured as required by law or as reasonably required by Lender; and not less than five days prior to the expiration of any policy of insurance, Borrower will deliver to Lender renewals or new policies in like amounts covering the same risks. All insurance shall be carried in insurance companies approved by Lender, and the policies shall include a provision making loss payable to Lender as its interest may appear. All policies of insurance shall be delivered to and held by Lender, and Borrower will pay promptly when due all premiums for such insurance. Should any loss occur to the insured property, Lender is hereby appointed attorney-in-fact for Borrower to make proof of loss if Borrower fails to do so promptly, and to receipt for any sums collected under said policies, which said sums or any part thereof, at the option of Lender, may be applied as payment on the indebtedness hereby secured, or to the restoration or repair of the property so destroyed or damaged. Borrower promptly will give notice

by mail to Lender of any loss or damage to the Mortgaged Property and will not adjust or settle such loss without the written consent of Lender. In the event of foreclosure of this Deed of Trust by court action or under power of sale, all right, title and interest of Borrower in and to any insurance policy then in force shall pass to the purchaser at the foreclosure sale, and Lender is hereby appointed attorney-in-fact for Borrower to assign and transfer said policies.

19. CONDEMNATION.

19.01 Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "Condemnation"). Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

19.02 Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Instrument or any Collateral Agreement, or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

20. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER [NO RIGHT TO TRANSFER].

20.01 "Transfer" means (A) a sale, assignment, transfer or other disposition (whether voluntary, involuntary or by operation of law); (B) the granting, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary or by operation of law); (C) the issuance or other creation of an ownership interest in a legal entity, including a partnership interest, interest in a limited liability company or corporate stock; (D) the withdrawal, retirement, removal or involuntary resignation of a partner in a partnership or a member or manager in a limited liability company; or (E) the merger, dissolution, liquidation, or consolidation of a legal entity or the reconstitution of one type of legal entity into another type of legal entity. For purposes of defining the term "Transfer," the term "partnership" shall mean a general partnership, a limited partnership, a joint venture and a limited liability partnership, and the term "partner" shall mean a general partner, a limited partner and a joint venturer.

20.02 "Transfer" does not include: (i) a conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Instrument, (ii) the Mortgaged Property becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code, or (iii) a lien against the Mortgaged Property for local taxes and/or assessments not then due and payable.

20.03 The occurrence of any of the following events shall not constitute an Event of Default under this Instrument, notwithstanding any provision of Section 20.01 to the contrary:

- A.** a Transfer (including a transfer of any one Unit within the Mortgaged Property) to which Lender has consented;
- B.** a Transfer that occurs by devise, descent, or by operation of law upon the death of a natural person (unless such death itself is an Event of Default under Section 21.11 of this Instrument);
- C.** the grant of a leasehold interest approved in writing by Lender;
- D.** a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Loan Documents or consented to by Lender; and
- E.** the creation of a mechanic's, materialman's, or judgment lien against the Mortgaged Property which is released of record or otherwise remedied to Lender's satisfaction within 60 days of the date of creation.

20.04 The occurrence of any of the following Transfers shall not constitute an Event of Default under this Instrument, provided that Borrower has notified Lender in writing within 30 days following the occurrence of any of the following, and such Transfer does not constitute an Event of Default under any other Section of this Instrument:

- A.** a change of the Borrower's name, provided that UCC financing statements and/or amendments sufficient to continue the perfection of Lender's security interest have been properly filed and copies have been delivered to Lender;
- B.** a change of the form of the Borrower not involving a transfer of the Borrower's assets and not resulting in any change in liability of any Initial Owner, provided that UCC financing statements and/or amendments sufficient to continue the perfection of Lender's security interest have been properly filed and copies have been delivered to Lender;
- C.** the merger of the Borrower with another entity when the Borrowing entity is the surviving entity;
- D.** the grant of an easement, if before the grant Lender determines that the easement will not materially affect the operation or value of the Mortgaged Property or Lender's interest in the Mortgaged Property, and Borrower pays to Lender, upon

demand, all costs and expenses, including Attorneys' Fees and Costs, incurred by Lender in connection with reviewing Borrower's request.

E. The occurrence of any of the following events shall constitute an Event of Default under this Instrument:

- (i) a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property (including without limitation the creation or existence of any Lien as provided in Section 16 of this Instrument);
- (ii) if Borrower is a limited partnership, a Transfer of (A) any general partnership interest, or (B) limited partnership interests in Borrower that would cause the Initial Owners of Borrower to own less than a Controlling Interest of all limited partnership interests in Borrower;
- (iii) if Borrower is a general partnership or a joint venture, a Transfer of any general partnership or joint venture interest in Borrower;
- (iv) if Borrower is a limited liability company, (A) a Transfer of any membership interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all the membership interests in Borrower, (B) a Transfer of any membership or other interest of a manager in Borrower that results in a change of manager, or (C) a change of a nonmember manager;
- (v) if Borrower is a corporation, (A) the Transfer of any voting stock in Borrower which would cause the Initial Owners to own less than a Controlling Interest of any class of voting stock in Borrower or (B) if the outstanding voting stock in Borrower is held by 100 or more shareholders, one or more transfers by a single transferor within a 12-month period affecting an aggregate of 5% or more of that stock;
- (vi) if Borrower is a trust, (A) a Transfer of any beneficial interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all the beneficial interests in Borrower, or (B) the termination or revocation of the trust, or (C) the removal, appointment or substitution of a trustee of Borrower; and
- (vii) a Transfer of any interest in a Controlling Entity which, if such Controlling Entity were Borrower, would result in an Event of Default under any of Sections 20.04(E)(i) through (vi) above.

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 20.

21. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

21.01 any failure by Borrower, or any other maker of the Note, to pay or deposit when due any amount required by the Note, this Instrument or any other Loan Document;

21.02 any default by Borrower or any other borrower or party to that certain Business Loan Agreement of even date herewith executed in favor of Lender;

21.03 any default under any other Deed of Trust or Security Agreement securing the Note;

21.04 any failure by Borrower to maintain the insurance coverage required by Section 18;

21.05 fraud or material misrepresentation or material omission by Borrower, any of its officers, directors, trustees, general partners or managers or any guarantor in connection with (A) the application for or creation of the Indebtedness, (B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, or (C) any request for Lender's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;

21.06 any Event of Default under Section 20;

21.07 the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property;

21.08 any failure by Borrower to perform any of its obligations under this Instrument (other than those specified in Sections 21.01 through 21.07), as and when required, which continues for a period of 30 days after notice of such failure by Lender to Borrower. However, no such notice or grace period shall apply in the case of any such failure which could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Note or this Instrument or any other security given under any other Loan Document;

21.09 any failure by Borrower to perform any of its obligations as and when required under any Loan Document other than this Instrument which continues beyond the applicable cure period, if any, specified in that Loan Document;

21.10 any exercise by the holder of any debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable;

21.11 should any representation or warranty contained in this Instrument, the Closing Affidavit, any other Loan Document, or any other document submitted by Borrower to Lender be or become false or misleading in any material respect;

21.12 Borrower makes a general assignment for the benefit of creditors, voluntarily files for bankruptcy protection under the United States Bankruptcy Code or voluntarily becomes

subject to any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an involuntary case is commenced against Borrower by any creditor (other than Lender) of Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights and is not dismissed or discharged within 60 days after filing; and

21.13 Borrower (if Borrower is a natural person) or any general partner or trustee or guarantor who is a natural person dies, or becomes incompetent, or purports to revoke or dispute the validity of, or liability under, any of the Loan Documents or any guaranty; provided, however, that in the event of a death, Lender, in its sole, absolute and unfettered discretion, may permit the deceased Borrower's, general partner's, or guarantor's estate or the successor trustee or beneficiaries of the trust to assume unconditionally the obligations of such deceased person under the Loan Documents and/or guaranty, in a manner satisfactory to Lender, and, in doing so, cure such Event of Default.

22. REMEDIES CUMULATIVE. Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

23. FORBEARANCE.

23.01 Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Instrument, the Note, or any other Loan Document; release anyone liable for the payment of any amounts under this Instrument, the Note, or any other Loan Document; accept a renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Instrument, the Note, or any other Loan Document.

23.02 Any forbearance by Lender in exercising any right or remedy under the Note, this Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender's receipt of any awards or proceeds under Sections 18 and 19 shall not operate to cure or waive any Event of Default.

24. LOAN CHARGES. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided

for in any Loan Document, whether considered separately or together with other charges levied in connection with any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest, as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.

25. 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 of this Instrument or to any action brought to enforce any Loan Document.

26. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Instrument, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

27. FURTHER ASSURANCES. Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements, transfers and assurances as Lender may require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Loan Documents.

28. ESTOPPEL CERTIFICATE. Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Instrument or any of the other Loan Documents (or, if the Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts requested by Lender.

29. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.

29.01 This Instrument shall be governed by the laws of the State of Oregon. The Note and any Loan Document which does not itself expressly identify the law that is to apply to it shall be governed by the laws of the State of Oregon.

29.02 Borrower agrees that any controversy arising under or in relation to this Instrument shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Instrument. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

30. NOTICE.

30.01 All notices, demands and other communications ("notice") under or concerning this Instrument shall be in writing. Each notice shall be addressed to the intended recipient at its address set forth in page one of this Instrument, and shall be deemed given on the earliest to occur of (1) the date when the notice is received by the addressee; (2) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (3) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. As used in this Section 30, the term "Business Day" means any day other than a Saturday, a Sunday or any other day on which Lender is not open for business.

30.02 Any party to this Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 30. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 30, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 30 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

30.03 Any notice under the Note and any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 30.

31. SALE OF NOTE. The Note or a partial interest in the Note (together with this Instrument and the other Loan Documents) may be sold or assigned one or more times without prior notice to Borrower.

32. SUCCESSORS AND ASSIGNS BOUND. This Instrument shall bind, and the rights granted by this Instrument shall inure to, the respective successors and assigns of Lender and Borrower. However, a Transfer not permitted by Section 20 shall be an Event of Default.

33. JOINT AND SEVERAL LIABILITY. If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities under this Instrument, the Note and other Loan Documents shall be joint and several.

34. RELATIONSHIP OF PARTIES; NO THIRD-PARTY GRANTEE.

34.01 The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower.

34.02 No creditor of any party to this Instrument and no other person shall be a third party grantee of this Instrument or any other Loan Document.

35. SEVERABILITY; ENTIRE AGREEMENT; AMENDMENTS. The parties intend that the provisions of this Instrument and all other Loan Documents shall be legally severable. If any term or provision of this Instrument, or any other Loan Document, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Instrument or of such other Loan Document shall not be affected thereby, and each term and provision shall be valid and be enforceable to the fullest extent permitted by law. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

36. CONSTRUCTION. The captions and headings of the sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Instrument, the term "including" means "including, but not limited to."

37. DISCLOSURE OF INFORMATION. Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including but not limited to trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of similar mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including but not limited to any right of privacy.

38. NO CHANGE IN FACTS OR CIRCUMSTANCES. All information in the application for the loan submitted to Lender (the "Loan Application") and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

39. SUBROGATION. If, and to the extent that, the proceeds of the loan evidenced by the Note are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the

Mortgaged Property (a "Prior Lien"), such loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

40. ACCELERATION; REMEDIES. If an Event of Default has occurred and is continuing, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by Oregon law or provided in this Instrument or in any other Loan Document. Borrower acknowledges that the power of sale granted in this Instrument may be exercised by Lender without prior judicial hearing. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees, costs of documentary evidence, abstracts and title reports.

If the power of sale is invoked, Lender shall execute a written notice of the occurrence of an Event of Default and of Lender's election to cause the Mortgaged Property to be sold and shall cause the notice to be recorded in each county in which the Mortgaged Property or some part of the Mortgaged Property is located. Trustee shall give notice of default and notice of sale and shall sell the Mortgaged Property according to Oregon law. Trustee may sell the Mortgaged 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 Mortgaged Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Mortgaged Property at any sale.

Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Mortgaged Property so sold without any express or implied covenant or warranty. The recitals in Trustee's deed shall be prima facie evidence of the truth of the statements made in those recitals. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including Trustee's fees not to exceed 5% of the gross sales price, attorneys' fees and costs of title evidence; (b) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (c) the excess, if any, to the person or persons legally entitled to the excess.

41. RECONVEYANCE. Upon payment of the Indebtedness, Lender shall request Trustee to reconvey the Mortgaged Property and shall surrender this Instrument and the Note to Trustee. Trustee shall reconvey the Mortgaged Property without warranty to the person or persons legally entitled to the Mortgaged Property. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Mortgaged Property.

42. SUBSTITUTE TRUSTEE. Lender, at Lender's option, may from time to time, by a written instrument, appoint a successor trustee, which instrument, when executed and acknowledged by Lender and recorded in the office of the Recorder of the county or counties where the Mortgaged Property is situated, shall be conclusive proof of proper substitution of the successor trustee. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor (Borrower), the book and page of the Auditor's File Number where this Deed of Trust is recorded, and the name and address of the successor trustee and the instrument shall be executed and acknowledged by Lender or its

successors in interest. The successor trustee shall, without conveyance of the Mortgaged Property, succeed to all the title, power and duties conferred upon the Trustee in this Instrument and by Oregon law. The instrument of substitution shall contain the name of the original Lender, Trustee and Borrower under this Instrument, the book and page where this Instrument is recorded, and the name and address of the successor trustee. If notice of default has been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee have been paid to such Trustee, who shall endorse receipt of those costs, fees and expenses upon the instrument of substitution. The procedure provided for substitution of trustee in this Instrument shall govern to the exclusion of all other provisions for substitution, statutory or otherwise.

43. APPLICATION OF PAYMENTS. Lender and Borrower hereby agree and acknowledge that in the event that any portion of the indebtedness evidenced by the Note is not deemed to be secured by the lien of this Deed of Trust, then it shall be deemed that all payments made under the Note shall be applied first to that portion which unsecured then to that portion which is secured by this Deed of Trust.

44. APPRAISALS. Lender shall have the right from time to time, but no more than once per year, to require Borrower to submit an updated appraisal, or if Borrower shall fail to submit an updated appraisal, to obtain an updated appraisal of the Mortgaged Property. All appraisals shall be performed by an M.A.I. appraiser acceptable to Lender in its sole discretion and shall be at the sole cost and expense of Borrower. In the event Lender obtains an appraisal for Borrower, the cost of such appraisal shall be secured by this Deed of Trust, and be immediately due and payable, together with interest thereon at the maximum rate of interest permitted by law. Borrower further agrees and acknowledges that in the event that any such appraisal indicates a fair market value which results in a loan to value ratio of greater than seventy-five percent (75.00%), Lender shall have the right to require Borrower to immediately reduce the then outstanding principal balance of the Note by such an amount that will establish a loan to value ratio of seventy-five percent (75.00%). Furthermore, in the event that Lender obtains an appraisal of the Mortgaged Property in connection with a lawsuit for a deficiency judgment, such appraisal shall be at the sole cost and expense of Borrower.

45. FIXTURE FILING. This Instrument is also a fixture filing under the Uniform Commercial Code of Oregon.

46. WAIVER OF MARSHALLING; OTHER WAIVERS. To the extent permitted by law, Borrower waives (i) the benefit of all present or future laws providing for any appraisement before sale of any portion of the Mortgaged Property, (ii) all rights of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the whole of the Indebtedness and marshalling in the event of foreclosure of the lien created by this Instrument, (iii) all rights and remedies which Borrower may have or be able to assert by reason of the laws of the State of Oregon pertaining to the rights and remedies of sureties, (iv) the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument, and (v) any rights, legal or equitable, to require marshalling of assets or to require upon foreclosure sales in a particular order. Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided by this Instrument.

Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of the remedies provided by this Instrument.

47. INTERPRETATION. It is the intention of Borrower and Lender that if any provision of this Instrument or any other Loan Document is capable of two (2) constructions, one of which would render the provision void, and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. Borrower acknowledges that Lender has attempted in good faith to assure that this Instrument, the Note and all other Loan Documents are in compliance with applicable laws of the Property Jurisdiction and federal laws. Nevertheless, in the event that any provision of this Instrument, the Note or any other Loan Document is not in compliance with any such laws, then the non-complying provision shall be deemed to be deleted or modified to the extent necessary to assure legal compliance. Similarly, in the event any language or disclosure required by applicable laws of the Property Jurisdiction is not contained in the Loan Documents, then the Loan Documents shall be deemed to have been supplemented to add such language or disclosure, or, at Lender's option, Lender may provide such additional language or disclosure. In either event, such legal requirement shall thereby be satisfied and such noncompliance shall be deemed to have been cured for all purposes. Within ten (10) days after written request by Lender, Borrower agrees to execute such documentation as Lender may require to cure any legal compliance issues or deficiencies in the Loan Documents.

48. FUTURE ADVANCES. In addition to the Indebtedness, this Instrument shall (to the extent allowed by applicable law) also secure payment of the principal, interest and other charges due on all other future loans or advances made by Lender to Borrower (or any successor in interest to Borrower as the owner of all or any part of the Mortgaged Property) when the promissory note evidencing such loan or advance specifically states that it is secured by this Instrument ("Future Advances"), including all extensions, renewals and modifications of any such Future Advances.

49. AGREEMENT TO PROVIDE ADDITIONAL DOCUMENTS. Borrower agrees to execute and acknowledge such additional documents as may be necessary or desirable in order to carry out the intent and purpose of this Instrument and the other Loan Documents, to confirm or establish the lien hereof, or to correct any clerical errors or legal deficiencies. Without limiting the foregoing, Borrower agrees to execute a replacement Note in the event the Note is lost or destroyed and to execute a corrected and restated substitute Note to correct any clerical or other errors which may be discovered in the original Note. Failure of Borrower to comply with any request by Lender pursuant to this Section or under Section 27 above within ten (10) days after written request by Lender shall constitute a material Event of Default hereunder.

50. EXECUTION IN COUNTERPARTS. This Instrument may be executed in multiple counterparts, and the separate signature pages and notary acknowledgments may then be combined into a single original document for recordation.

51. PAYMENT OF CLOSING COSTS. If for any reason the escrow or closing agent fails to reserve and pay for all of Lender's fees, legal, documentation, appraisal, title, recording and other closing costs incurred in connection with the closing and funding of the Loan, then Borrower shall pay or reimburse Lender for any such unpaid fees or costs within ten

(10) days after written demand by Lender itemizing the unpaid fees and costs. Failure of Borrower to so pay or reimburse Lender for any such unpaid fees and costs within ten (10) days after written demand by Lender shall constitute an Event of Default and, without limiting any other remedies of Lender, Lender may immediately institute the Default Rate under the Note until such amounts are received by Lender.

52. MAXIMUM RATE OF INTEREST. Any provision of the Note or this Deed of Trust to the contrary notwithstanding, Borrower shall not pay or be obligated to pay to Lender, and Lender shall not collect and has no intention that Borrower pay, interest in an amount in excess of the present maximum legal rate of interest lawfully payable by Borrower under the laws of the State of Oregon as pre-empted, if applicable, by Federal law. If it is determined that application of the method of determining interest set forth results in an amount of interest in excess of the maximum rate of interest lawfully payable by Borrower under the laws of the State of Oregon as pre-empted, if applicable, by Federal law, then at the option of Lender, Borrower shall either (1) pay interest only at such maximum rate of interest, or (2) make the payments determined in accordance with the method set forth in said Note but apply to the unpaid principal sum the part of the amount so determined that is in excess of such maximum rate of interest; provided, however, that unless within thirty (30) days after such determination is made Lender gives to Borrower written notice directing Borrower to pay such interest pursuant to the foregoing subparagraph (2), then subparagraph (1) shall apply. If at any time it is determined that the amount of interest theretofore paid under the obligations secured by this Deed of Trust was in excess of the maximum rate of interest lawfully payable under said Note by Borrower, then at the option of Lender the amount of interest so paid in excess of such maximum rate of interest shall either be applied on the unpaid principal sum hereof or promptly returned to Borrower.

53. LIMITATION ON SECURITY. Notwithstanding anything to the contrary contained herein or in the Loan Documents, this Deed of Trust shall not secure the following obligations: (i) any obligations of Borrower evidenced by or arising under or pursuant to the Environmental Indemnity Agreement ("Environmental Indemnity Agreement") of even date herewith, executed by Borrower in favor of Lender and (ii) any other obligations in this Deed of Trust or in the Loan Documents to the extent that such other obligations relate specifically to the presence on the Mortgaged Property of Hazardous Materials (as defined in the Environmental Indemnity Agreement and are the same or have the same effect as any of the obligations evidenced by or arising under the Environmental Indemnity Agreement, (iii) any obligations under any guaranty; (iv) any obligations under any indemnification agreement in favor of Lender; or (v) any obligations that would be deemed "substantial equivalents" of any of the foregoing excluded obligations for purposes of Oregon environmental law.

54. NON-AGRICULTURAL USE. Borrower warrants and represents that the Mortgaged Property is not presently, and will not during the term of this Deed of Trust be used principally or at all for agricultural purposes.

55. LOAN PURPOSE. The proceeds from the Loan shall be used for business purposes only, and shall not be used for personal, family, household or consumer purposes.

56. NO SECURED INDEMNIFICATION OBLIGATION. Notwithstanding anything to the contrary contained herein or in any other Loan Document, no indemnification obligation of Borrower shall be deemed to be secured by this Deed of Trust.

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

58. WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) 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.

ATTACHED EXHIBIT. The following Exhibit is attached to this Instrument:

Exhibit "A" Description of the Land

THIS DEED OF TRUST SECURES A PROMISSORY NOTE. EXCEPT FOR THE DEED OF TRUST IN FAVOR OF PIRFIL CAM LIVING TRUST DATED JULY 23, 2015 ("FIRST LENDER") (i) NO FURTHER ENCUMBRANCES MAY BE RECORDED AGAINST THE REAL PROPERTY AND (ii) NO MODIFICATION OR AMENDMENT OF THE FIRST LENDER LOAN SHALL BE MADE WITHOUT THE PRIOR WRITTEN CONSENT OF LENDER, WHICH LENDER MAY DENY IN LENDER'S SOLE DISCRETION. FAILURE TO COMPLY WITH THIS PROVISION SHALL CONSTITUTE AN EVENT OF DEFAULT AND AT THE LENDER'S OPTION THE LOAN SHALL IMMEDIATELY BECOME DUE AND PAYABLE. CONSENT TO FIRST LENDER'S NOTE & TRUST DEED SHALL NOT BE DEEMED TO BE A WAIVER OF THE RIGHT TO REQUIRE SUCH CONSENT TO FUTURE OR SUCCESSIVE ENCUMBRANCES OR MODIFICATIONS OR AMENDMENTS TO THE FIRST LENDER'S LOAN.

IN WITNESS WHEREOF, Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.

BORROWER:

**Bonneville Resort, LLC
An Oregon limited liability company**

By: Sazzadur Rahman
SAZZADUR RAHMAN, Manager

County of Multnomah

Erica Gray
Notary Public, State of Oregon

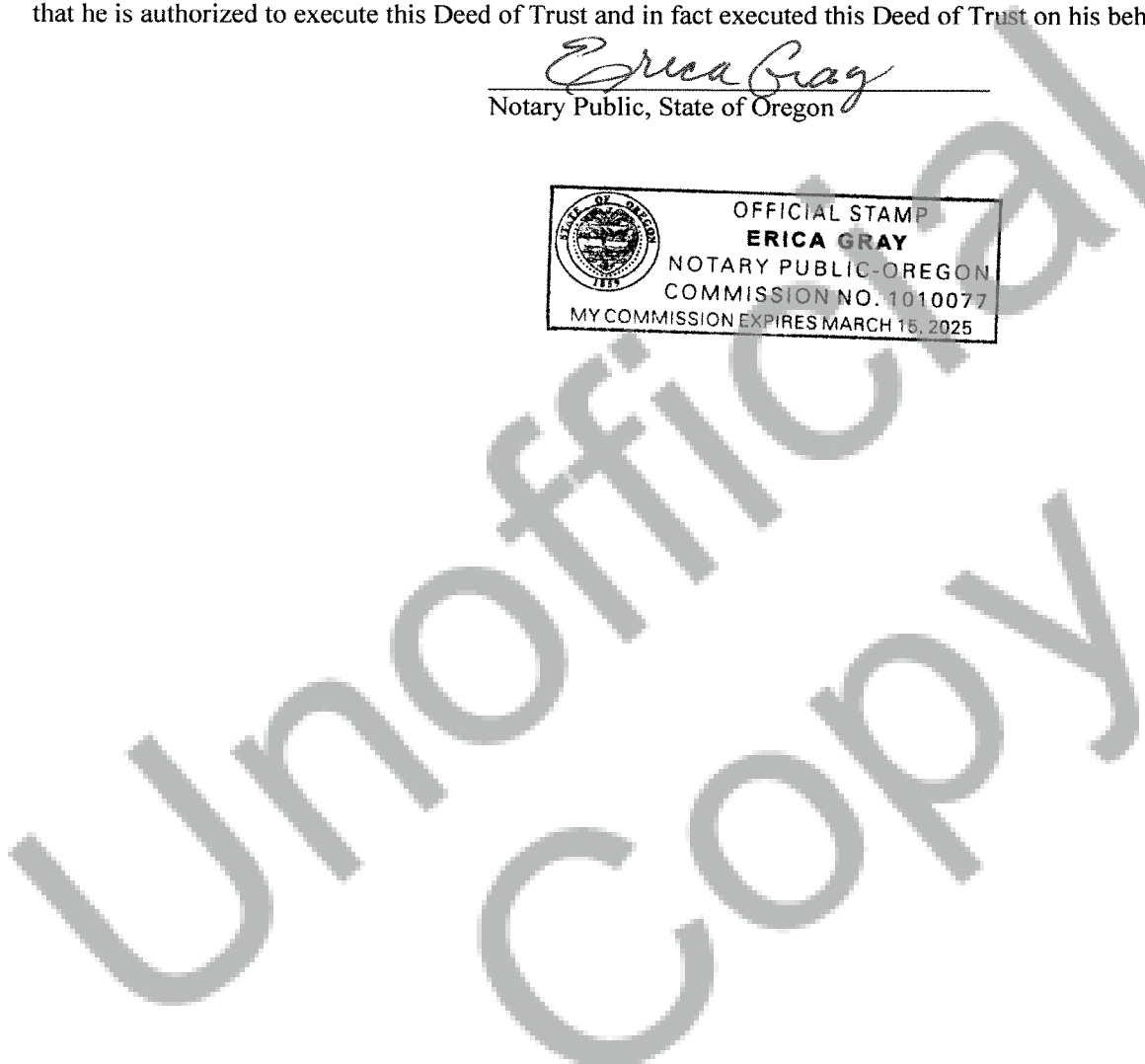


Exhibit "A"-Bonneville Lodge Legal Description

Lot 1 BHS Short Plat, recorded in Skamania County Auditor File No. 2015000078, Skamania County Records.

LESS AND EXCEPT that portion conveyed by instrument recorded as Auditor File Number 2017002646, Skamania County Records, described as follows:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 1 OF THE "BHS SHORT PLAT" AS RECORDED UNDER SKAMANIA COUNTY, WASHINGTON, AUDITORS FILE NUMBER 2015000078;

THENCE NORTH 02° 14' 41" EAST, ALONG THE WEST LINE OF SAID LOT 1, FOR A DISTANCE OF 1024.18 FEET TO THE INTERSECTION OF SAID WEST LINE AND THE SOUTH RIGHT OF WAY LINE OF THE NORTHWEST PIPELINE CORPORATIONS 60-FOOT-WIDE PIPELINE EASEMENT AS DESCRIBED AND RECORDED IN BOOK 192 AT PAGES 23 THROUGH 31, SKAMANIA COUNTY, WASHINGTON, AUDITORS RECORD;

THENCE LEAVING SAID WEST LINE, ALONG SAID SOUTH RIGHT OF WAY LINE THE FOLLOWING COURSES AND DISTANCE;

THENCE NORTH 46° 25' 25" EAST, FOR A DISTANCE OF 158.37 FEET;

THENCE SOUTH 66° 56' 50" EAST, FOR A DISTANCE OF 246.53 FEET;

THENCE SOUTH 77° 44' 50" EAST, FOR A DISTANCE OF 250.79 FEET;

THENCE LEAVING SAID SOUTH RIGHT OF WAY LINE, NORTH 07° 47' 20" WEST, FOR A DISTANCE OF 63.87 FEET TO THE NORTH RIGHT OF WAY LINE OF SAID 60-FOOT WIDE PIPELINE EASEMENT;

THENCE NORTH 62° 10' 10" EAST, ALONG SAID NORTH RIGHT OF WAY LINE, FOR A DISTANCE OF 317.95 FEET;

THENCE LEAVING SAID NORTH RIGHT OF WAY LINE, SOUTH 39° 19' 50" EAST, FOR A DISTANCE OF 61.23 FEET TO THE NORTHEAST CORNER OF LOT 2 OF SAID "BHS SHORT PLAT";

THENCE SOUTH 62° 10' 10" WEST, ALONG THE NORTH LINE OF SAID LOT 2, FOR A DISTANCE OF 248.60 FEET TO THE NORTHWEST CORNER THEREOF;

THENCE LEAVING SAID NORTH LINE, SOUTH 26° 58' 17" EAST, FOR A DISTANCE OF 191.15 FEET TO THE SOUTHWEST CORNER THEREOF AND THE SOUTH LINE (NORTH RIGHT OF WAY LINE OF EAST CASCADE DRIVE) OF SAID LOT 1;

THENCE ALONG THE SOUTH LINE OF SAID LOT 1 THE FOLLOWING COURSES AND DISTANCES;

THENCE SOUTH 32° 43' 21" WEST FOR A DISTANCE OF 75.96 FEET TO THE BEGINNING OF A 447.50-FOOT RADIUS CURVE TO THE RIGHT;

THENCE ALONG THE ARC OF A TANGENT 447.50-FOOT RADIUS CURVE TO THE RIGHT, FOR AN ARC DISTANCE OF 130.95 FEET, THROUGH A CENTRAL ANGLE OF 16° 46' 00", THE LONG CHORD OF WHICH BEARS SOUTH 41° 06' 21" WEST, FOR A CHORD DISTANCE OF 130.49 FEET;

THENCE SOUTH 49° 29' 21" WEST FOR A DISTANCE OF 92.60 FEET, TO THE BEGINNING OF A 144.60-FOOT RADIUS CURVE TO THE LEFT;

THENCE ALONG THE ARC OF A TANGENT 144.60-FOOT RADIUS CURVE TO THE LEFT, FOR AN ARC DISTANCE OF 55.14 FEET, THROUGH A CENTRAL ANGLE OF 21° 51' 00", THE LONG CHORD OF WHICH BEARS SOUTH 38° 33' 51" WEST, FOR A CHORD DISTANCE OF 54.81 FEET;

THENCE SOUTH 27° 38' 21" WEST FOR A DISTANCE OF 155.47 FEET TO THE BEGINNING OF A 113.25- FOOT RADIUS CURVE TO THE RIGHT;

THENCE ALONG THE ARC OF A TANGENT 113.25-FOOT RADIUS CURVE TO THE RIGHT, FOR AN ARC DISTANCE OF 62.00 FEET, THROUGH A CENTRAL ANGLE OF 31° 22' 00", THE LONG CHORD OF WHICH BEARS SOUTH 43° 19' 21" WEST, FOR A CHORD DISTANCE OF 61.23 FEET;

THENCE SOUTH 59° 00' 21" WEST FOR A DISTANCE OF 191.11 FEET TO THE BEGINNING OF A 348.30-FOOT RADIUS CURVE TO THE LEFT;

THENCE ALONG THE ARC OF A TANGENT 348.30-FOOT RADIUS CURVE TO THE LEFT, FOR AN ARC DISTANCE OF 110.03 FEET, THROUGH A CENTRAL ANGLE OF 18° 06' 00", THE LONG CHORD OF WHICH BEARS SOUTH 49° 57' 21" WEST, FOR A CHORD DISTANCE OF 109.57 FEET;

THENCE SOUTH 40° 54' 21" WEST FOR A DISTANCE OF 323.27 FEET TO THE TRUE POINT OF BEGINNING.