

Washington County, Oregon **2015-081255**
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Stn=18 K GRUNEWALD **09/25/2015 09:58:47 AM**
\$145.00 \$11.00 \$15.00 \$5.00 \$20.00 **\$196.00**

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of
Assessment and Taxation, Ex-Officio

RECORDING REQUESTED BY AND
UPON RECORDATION RETURN TO:

Assemblies of God Loan Fund
Post Closing
3900 South Overland Avenue
Springfield, MO 65807

DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT

GRANTOR/BORROWER: **HORIZON COMMUNITY CHURCH,**
an Oregon nonprofit corporation
23370 SW Boones Ferry Road
Tualatin, Oregon 97062

GRANTEE/BENEFICIARY/
LENDER: **ASSEMBLIES OF GOD LOAN FUND**
a Missouri nonprofit corporation
3900 South Overland Avenue
Springfield, MO 65807

GRANTEE/TRUSTEE: **FIRST AMERICAN TITLE INSURANCE COMPANY**
a Nebraska corporation
200 Southwest Market Street, Suite 250
Portland, Oregon 97201

LEGAL DESCRIPTION: See Exhibit "A"

Statutory Notice:

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

3900 South Overland Avenue
Springfield, MO 65807

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

Map & Tax Lot No. 2S132BB00700, 2S125AB07000, and 2S135D000106
Property ID/Key No. R554796, R535932, and R560208

DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (“Security Instrument”), effective September 24, 2015, by **HORIZON COMMUNITY CHURCH**, an Oregon nonprofit corporation (“Borrower”), whose address is 23370 SW Boones Ferry Road, Tualatin, Oregon 97062, to **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska corporation (“Trustee”), whose address is 200 Southwest Market Street, Suite 250, Portland, Oregon, in favor of **ASSEMBLIES OF GOD LOAN FUND**, a Missouri nonprofit corporation (“Lender” or “Beneficiary”), whose address is 3900 South Overland Avenue, Springfield, Missouri 65807.

GRANTING CLAUSE

Lender is making a loan to Borrower in the total amount of **ELEVEN MILLION NINE HUNDRED SIXTY-EIGHT THOUSAND AND 00/100 DOLLARS (\$11,968,000.00)** (the “Loan”). In consideration of the Loan, Borrower hereby irrevocably grants, conveys, transfers and assigns to Trustee, his successors and assigns in trust, with power of sale and right of entry and possession as provided below, all of its present and future estate, right, title and interest in and to the property now or hereafter acquired as described on Exhibit “A” attached hereto and incorporated herein (the “Property”) and all minerals, oil, gas and other hydrocarbon substances on or under the surface of the Property, as well as all development rights, permits, licenses, air rights, water, water rights, and water stock relating to the Property.

All present and future structures, buildings, improvements, appurtenances and fixtures of any kind on the Property, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Property, such as heating and air-conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal, recreation or other services on the Property, and all window coverings, drapes and rods, carpeting and floor coverings, it being intended and agreed that all such items will be conclusively considered to be part of the Property conveyed by this Security Instrument, whether or not attached or affixed to the Property (“Improvements”).

All personal property, goods, fixtures, equipment, inventory, appliances, furniture and furnishings, building service equipment, building materials, supplies, and all replacements thereof, and equipment; all general intangibles, accounts, cash, instruments, deposit accounts, chattel paper, letters of credit, all governmental permits relating to any construction by Borrower, and all rights to carry on business under any such names or all variants thereof, and all trademarks and goodwill; and all proceeds, including insurance proceeds, sales proceeds (whether resulting as a consequence of sales of single or multiple units constructed on the Property or a bulk or liquidation sale of the Property or any portion thereof), or damages or settlement proceeds arising from a breach or alleged breach of any agreement relating to the foregoing, of all or any portion of the Property (“Personal Property”).

All appurtenances of the Property and all rights of Borrower in and to any streets, roads or public places, easements or rights of way, relating to the Property.

All of the rents, royalties, profits and income of the Property (“Rents”), and all rights of Borrower under all present and future leases affecting the Property, including but not limited to any security deposits.

All proceeds and claims arising on account of any damage to or taking of the Property or any Improvements thereon or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of the Property or any Improvements.

TO HAVE AND TO HOLD the Property, with all privileges and appurtenances thereunto belonging, to Trustee, his heirs, successors and assigns forever, upon the trusts, terms and condition, and for the uses hereinafter set forth..

SECURED OBLIGATIONS

This Security Instrument secures the following obligations ("**Obligations**"):

A. LOAN. Payment and performance of Borrower's indebtedness and obligations under that certain Adjustable Rate Secured Note of even date herewith in the amount of ELEVEN MILLION NINE HUNDRED SIXTY-EIGHT THOUSAND AND 00/100 DOLLARS (\$11,968,000.00) (the "**Note**"), including all extensions, renewals and modifications of the Note, and any additional note or notes.

The payment of the principal and interest 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 Property) when the note evidencing such loan or advance specifically states that it is secured by this Security Instrument ("**Future Advances**"), including all extensions, renewals and modifications of any Future Advances.

B. OTHER OBLIGATIONS. The payment and performance of Borrower's obligations under this Security Instrument. The payment of all sums advanced or paid out by Lender under or pursuant to any provision of this Security Instrument or to protect the security of this Security Instrument, together with interest thereon as provided herein.

C. MATURITY. The Note secured hereby matures on October 1, 2035.

WARRANTY OF TITLE

Borrower warrants and covenants that, except as Borrower lawfully possesses, and holds fee simple title to the Property without limitation on the right to encumber, and that this Security Instrument is a valid first and priority lien on the Property subject only to the encumbrances set forth in Schedule B-1 of the title insurance policy issued in favor of Lender insuring such lien. Borrower, at its sole cost and expense, shall at all times keep, protect, defend, and maintain title to the Property free and clear of any liens or encumbrances that would or could impair the validity or priority of this Security Instrument.

**ARTICLE 1
COVENANTS OF BORROWER**

To protect the security of this Security Instrument, Borrower agrees:

1.1. Performance. Borrower agrees to pay all indebtedness and perform all obligations that are secured by this Security Instrument in accordance with their terms.

1.2. Insurance. Borrower shall maintain or cause to be maintained in force, until full payment of the Loans, policies of insurance satisfactory to Lender as follows:

1.2.1 "Special Form" property coverage with a maximum deductible of Five Thousand Dollars (\$5,000.00), including coverage for wind and hail with a maximum deductible of five percent (5%), if applicable, and such other insurable hazards as Lender shall reasonably require. The amount of such insurance shall be satisfactory to Lender and shall be equal to the greater of the amount of the Loan or eighty percent (80%) of the full replacement cost of the improvements, and shall have an agreed value endorsement added to the insured buildings. "Full replacement cost," as used herein, means the cost of replacing the improvements, exclusive of the cost of excavation, foundations, and footings;

1.2.2 "Special Form" covering all furniture, fixtures, and equipment necessary for the operation of the Improvements, including theft;

1.2.3 Flood insurance, in the event the improvements are located within Flood Zones "A" or "V" and such insurance is available pursuant to the provisions of the Flood Disaster Protection Act of 1973 or other applicable legislation;

1.2.4 Comprehensive general liability insurance, covering bodily injury, property damage, and personal injury with adequate coverage, but not less than One Million Dollars (\$1,000,000.00) coverage per occurrence;

Lender shall be named as Loss Payee on Borrower's insurance policy using the ISO CP 12 18 06 07 Form, or its comparable, and provide Lender with such form.

Lender reserves the right, at Lender's sole discretion, to waive any of the stated coverage in Section 1.2 or to require any additional coverage, including but not limited to (a) a Key Man life insurance policy or (b) earthquake insurance, if applicable. Each policy of insurance shall be issued by an admitted insurance company in the state where the Property is located with an A.M. Best Rating of A-VII, and approved by Lender. All premiums on insurance policies shall be paid, by Borrower making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least ten (10) days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy, if possible, or other proof of insurance coverage satisfactory to Lender.

1.3. Assignment of Proceeds. All insurance proceeds on the Property, all proceeds of a sale of all or any portion of the Property, and all causes of action, claims, compensation, awards and recoveries for any damage, condemnation or taking of all or any part of the Property or for any damage or injury to it or for any loss or diminution in value of the Property, are hereby assigned to and shall be paid to Lender. At Lender's option, Lender may appear in and prosecute (either in its own name or in the name of

Borrower) or participate in any suits or proceedings relating to any such proceeds, causes of actions, claims, compensation, awards or recoveries and may adjust, compromise or settle any claim in connection therewith. Lender shall apply any sums received by it under this Section 1.3 first to the payment of all of its reasonable costs and expenses (including but not limited to legal fees and disbursements) incurred in obtaining those sums, and then, in its absolute discretion and without regard to the adequacy of its security, to the payment of the indebtedness and obligations secured by this Security Instrument, except as provided in Section 1.10 below. Any application of such funds to the indebtedness secured hereby shall not be construed to cure or waive any Event of Default or invalidate any acts of Lender arising out of such Event of Default.

1.4. Taxes and Assessments. Borrower agrees to pay when due all taxes, fees, impositions, and assessments which are or may become a lien on all or any portion of or interest in the Property or which are assessed against the Property or its rents, royalties, profits and income. Borrower also agrees to pay when due all lawful claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered with respect to the Property. In the event of the passage after the date of this Security Instrument of any law of the state where the Property is located, deducting from the value of land, for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust for state or local purposes or the manner of the collection of such taxes so as to affect this Security Instrument, the entire principal balance under said Note, together with all accrued interest thereon, at the option of Lender, without demand or notice, forthwith shall become due and payable; provided, however, that such option shall be ineffective if Borrower is permitted by law to pay the whole of such tax, in addition to all other payments required hereunder, and, if prior to such specified date, Borrower does pay such tax and agrees to pay any such tax when hereafter levied or assessed against the Property, and such agreement shall constitute a modification of this Security Instrument.

1.5. Perfection of Security. Borrower agrees to execute and deliver to Lender, from time to time on demand and at Borrower's cost and expense, any documents required to perfect and continue the perfection of Lender's interest in the Property.

1.6. Acceleration. Without the prior written consent of Lender (which consent may be withheld in Lender's sole and absolute discretion), Borrower shall not sell, encumber, assign, contract to sell, grant an option to sell, lease, or otherwise transfer or convey the Property or any portion thereof or interest therein or suffer its title therein to be divested whether voluntarily, by operation of law or otherwise, and Borrower shall not dissolve, cease doing business or terminate its existence. If such an event occurs without Lender's prior written consent, Lender may, in its sole option and upon written notice to Borrower, accelerate the maturity date of the sums secured hereby and declare all such sums immediately due and payable.

1.7. Waste; Changes in Zoning; Subdivision.

1.7.1. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property or take any actions that might invalidate any insurance carried on the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, and (f) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action

or proceeding purporting to affect the Property, the security of this Security Instrument or the rights or powers of Lender. Lender shall have the right, but not the obligation, to enter upon and take possession of the Property and to make additions, alterations, repairs, or improvements to the Property which Lender may consider necessary or proper to keep the Property in good condition and repair. No Improvements may be removed, demolished or materially altered without the prior written consent of Lender, which Lender may withhold in its sole and absolute discretion. No personal property in which Lender has a security interest may be removed from the Property unless it is immediately replaced by similar property of at least equivalent value on which Lender will immediately have a valid first lien and security interest.

1.7.2. Without the prior written consent of Lender, which Lender may withhold in its sole and absolute discretion, Borrower shall not seek, make or consent to any change in the zoning or conditions of use of the Property. Borrower, at its sole cost, shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Property, including but not limited to those contained in any declaration and constituent documents of any condominium, cooperative or planned development project on the Property. Borrower, at its sole cost, shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property.

1.7.3. If this Security Instrument covers a subdivision or common interest development (“**Subdivision**”), as defined under any law of the state where the Property is located which relates to the development or sale of a “common interest development” or a “subdivision,” Borrower shall obtain, comply with and keep in effect all present and future permits, maps, bonds and other agreements required by applicable laws and regulations for the lawful construction or sale of the Subdivision lots and/or units. Borrower must also maintain an active sales program for the Subdivision, and always be in a position to convey insurable title to the lots and/or units to purchasers.

1.8. Books and Records.

1.8.1. Borrower shall keep adequate books and records of account of the Property and its own financial affairs on an accrual basis sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Lender shall have the right to examine, copy and audit Borrower’s records and books of account at all reasonable times. If the Property is at any time used for commercial or residential income purposes, Borrower will deliver to Lender, upon request, certified financial statements and profit-and-loss statements for Borrower and the Property prepared in accordance with generally accepted accounting principles.

1.8.2. Borrower will promptly furnish from time to time, upon Lender’s request, a duly acknowledged written statement setting forth all amounts due on the indebtedness secured by this Security Instrument and stating whether any offsets or defenses exist, and containing such other matters as Lender may reasonably require.

1.9. **Defend Security.** Borrower shall, at its own expense, appear in and defend any action or proceeding that might affect Lender’s security or the rights or powers of Lender or that purports to affect any of the Property. If Borrower fails to perform any of its covenants or agreements contained in this Security Instrument or any of the other Loan Documents, or if any action or proceedings of any kind (including but not limited to any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Lender’s interest in the Property or Lender’s right to enforce its security, then Lender and/or Trustee may, at their option, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Security Instrument or to remedy the failure of Borrower to perform its covenants, including without limitation payment on behalf of Borrower of any taxes, assessments, liens, insurance premiums, and repair or maintenance costs (without, however, waiving any default of Borrower). Borrower agrees to pay all

reasonable out-of-pocket expenses of Lender and Trustee thus incurred (including but not limited to fees and disbursements of counsel). Any sums disbursed or advanced by Lender or Trustee shall be additional indebtedness of Borrower secured by this Security Instrument and may be payable by Borrower upon demand. Any such sums so disbursed or advanced by Lender may bear interest at the Default Rate as set forth in the Note, and any such sums so disbursed or advanced by Trustee may bear interest at the maximum rate permitted to be charged by Trustee under applicable law. This Section 1.9 shall not be construed to require Lender or Trustee to incur any expenses, make any appearances, or take any other actions.

1.10. Damage and Destruction.

1.10.1. If the Property, or any portion thereof, is destroyed (in whole or in part), or is damaged by fire or other casualty, Borrower shall be obligated to continue to pay the Loans. Borrower shall give Lender prompt written notice of any such destruction or damage in excess of Ten Thousand Dollars (\$10,000.00).

1.10.2. Prior to the termination of this Security Instrument, the proceeds from any insurance resulting from any events described in the preceding Section less all expenses related thereto (the "Net Proceeds") shall be deposited in an account held by Lender to be known as the "Insurance Proceeds Fund". All Net Proceeds shall be applied in one or more of the following ways, as elected by Borrower in a written notice to Lender.

1.10.2.1. To the prompt repair, restoration, modification or improvement of the Property by Borrower, upon receipt by Lender of written request on applicable forms for each draw request accompanied by supporting invoices, statements, bills and approved construction draw form, signed by an officer or individual authorized to make draw requests on behalf of the Borrower; or

1.10.2.2. Toward the purchase of additional property, against which Borrower shall give a first lien to Lender; or

1.10.2.3. To the prepayment of the Loan in the same manner as partial prepayments are to be applied under the provisions of the Note, but without any premium or penalty; or

1.10.2.4. A combination of these purposes.

Any balance of the Net Proceeds remaining shall be paid to Borrower.

1.10.3. If the Net Proceeds are insufficient to pay in full the costs of the repair, restoration, modification or improvement required hereunder, Borrower will nevertheless complete the work so that the Property is in substantially the same condition as existed prior to such damage or destruction, or is in a condition of at least equivalent value and function, and Borrower will pay any cost in excess of the amount of the Net Proceeds held by Lender. Lender shall not be required to confirm the availability of such excess.

When Borrower has complied with all of the preceding portions of this Section 1.10, Lender may condition disbursement of the sums specified in subsection 1.10.3 above to Borrower on terms and conditions such as those governing disbursements of loan funds in construction loans made by Lender for similar properties.

1.11. Condemnation.

1.11.1. If title to all, or substantially all, of the Property shall be taken or condemned by competent authority for any public use or purpose, the gross amount awarded, less all attorneys' fees and other expenses and costs in the condemnation proceeding (the "Net Condemnation Award") shall be applied to the prepayment of the Loan in the same manner as partial prepayments are to be applied under the provisions of the Note. Any balance of the Net Condemnation Award shall be paid to Borrower. In the event the Net Condemnation Award shall be insufficient to pay in full the amount necessary to pay all outstanding principal, interest, Lender's fees and other costs applicable to the Loans, Borrower shall pay the amount of any such deficiency.

1.11.2. If less than substantially all of the Property shall be taken or condemned by competent authority for any public use or purpose, neither the term nor any of the obligations of Borrower under this Security Instrument shall be affected or reduced in any way.

1.11.2.1. If any part of the Property is taken, Borrower shall proceed to repair, replace, restore or rebuild the remaining parts so that the Property is in substantially the same condition as immediately prior to such condemnation or is in a condition of at least equivalent value and function.

1.11.2.2. The entire Net Condemnation Award, less expenses, shall be paid to the Borrower for use in repairing, restoring replacing and rebuilding as provided hereinabove. Said Award shall be transferred to the Borrower in the same manner as insurance proceeds are made available. If the Net Condemnation Award is less than the amount necessary for the Borrower to repair, replace, restore and rebuild, as set forth hereinabove, Borrower shall nevertheless complete the repair, replacement, restoration or rebuilding and pay the costs thereof. Lender shall not be required to confirm the availability of such excess.

1.11.2.3. If the Net Condemnation Award is in excess of the amount necessary to repair, replace, restore and rebuild, such excess shall be paid to Lender to be applied to (i) the prepayment of the Loan in the same manner as partial prepayments are to be applied under the provisions of the Note, (ii) purchase of additional property against which Borrower shall give a first lien to Lender, or (iii) to construct additional improvements on the Property remaining under the lien. The Borrower has the right to select which of the above and foregoing alternatives it desires to exercise, and shall notify Lender, in writing, which alternative is selected by Borrower.

1.11.3. Borrower shall be obligated to continue to make all payments required hereunder pending any such condemnation proceeding, and thereafter unless the Loans are paid in full.

1.11.4. Lender is authorized to join in and consent to deeds in lieu of condemnation as requested by Borrower upon receipt of a copy of the written agreement between the condemning authority and the Borrower.

1.12. Security Agreement and Fixture Filing. This Security Instrument is intended to be and shall constitute a security agreement as defined in the Uniform Commercial Code, the Borrower being the **Debtor** and the Beneficiary being the **Secured Party**. Borrower hereby grants Beneficiary a security interest in any items of personal property described in Exhibit "B" attached hereto which are not herein effectively made a part of the real property, for the purpose of securing all indebtedness and other obligations of Borrower now or hereafter secured by this Security Instrument. Borrower agrees to execute and deliver financing and continuation statements covering said property from time to time in such form as Beneficiary may require to perfect and continue the perfection of Beneficiary's security interest with respect to said property, and to reimburse Beneficiary for any costs incurred in filing such financing

statements and any continuation statements. Borrower shall not create or allow the creation of any other security interest in said property. Upon the occurrence of any default by Borrower hereunder, Beneficiary shall have the rights and remedies of a secured party under the Uniform Commercial Code, as well as all other rights and remedies available at law or in equity or as provided herein, all at Beneficiary's option. Borrower and Beneficiary agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing this declaration and the hereby stated intention of the parties hereto that everything used in connection with the operation or occupancy of said property or the production of income therefrom is and, at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property encumbered by this Security Instrument, irrespective of whether (a) any such item is physically attached to the buildings and improvements, (b) serial numbers are used for the better identification of certain equipment, or (c) any such item is referred to or reflected in any such financing statement so filed at any time. Such mention in the financing statement is declared to be for the protection of the Beneficiary in the event any court or judge shall at any time hold that notice of Beneficiary's priority of interest must be filed in the Uniform Commercial Code records to be effective against a particular class of persons, including, but not limited to, the federal government or any subdivision or entity of the federal government.

1.13. Compensation; Exculpation; Indemnification.

1.13.1. Borrower hereby agrees to indemnify Trustee and Lender against, and holds them harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur (a) by reason of this Security Instrument; or (b) by reason of the execution of this trust or in performance of any act required or permitted hereunder or by law; or (c) as a result of any failure of Borrower to perform Borrower's obligations; or (d) by reason of any alleged obligation or undertaking on Lender's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Property. Notwithstanding the foregoing, Borrower shall not be liable under this subsection 1.13.1 to the extent that Borrower establishes that such liability is attributable solely and directly to the gross negligence or willful misconduct of Trustee or Lender.

1.13.2. Borrower shall pay all indebtedness arising under this Section 1.13 immediately upon demand by Lender together with interest thereon from the date the indebtedness arises at the Default Rate of interest set forth in the Note (after giving effect to any notice and/or cure periods). Borrower's duty to indemnify Lender shall survive the release and cancellation of the Obligations and the release and reconveyance or any partial release or reconveyance of this Security Instrument.

**ARTICLE 2
EVENTS OF DEFAULT**

List of Events of Default. An Event of Default shall have occurred under this Security Instrument upon the occurrence of any of the following:

2.1. Borrower fails timely to make any payment required by the Note, any Future Advances, or any of the other Loan Documents; or

2.2. Borrower breaches any warranty or fails to perform any other covenant contained in this Security Instrument or any of the other Loan Documents, and does not cure that failure within the period of time, if any, that Lender may elect in its sole discretion to grant in writing to Borrower to cure that failure; or

2.3. If Borrower or any Guarantor or any Indemnitor, if any, shall make an assignment for the benefit of creditors or if Borrower or any Guarantor or Indemnitor shall admit in writing its inability to pay, or Borrower's or any Guarantor's or any Indemnitor's failure to pay its debts as they become due; or

2.4. If (i) Borrower or any subsidiary or general partner or member of Borrower, or any Guarantor or any Indemnitor, if any, shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Borrower or any subsidiary or general partner or member of Borrower, or any Guarantor or any Indemnitor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower or any subsidiary or general partner or member of Borrower, or any Guarantor or any Indemnitor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) calendar days; or (iii) there shall be commenced against Borrower or any subsidiary or general partner or member of Borrower or any Guarantor or any Indemnitor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) calendar days from the entry thereof; or (iv) Borrower or any subsidiary or general partner or member of Borrower, or any Guarantor or any Indemnitor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) Borrower or any subsidiary or general partner or member of Borrower, or any Guarantor or any Indemnitor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

2.5. Subject to Borrower's right to contest certain liens as provided in this Security Instrument, if the Property becomes subject to any mechanic's, materialman's or other lien other than a lien for local real estate taxes and assessments not then due and payable and the lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of thirty (30) calendar days; or

2.6. If any federal tax lien is filed against Borrower, any general partner of Borrower, any Guarantor, any Indemnitor, if any, or the Property and same is not discharged of record within thirty (30) calendar days after same is filed; or

2.7. Except as permitted in this Security Instrument, the actual or threatened alteration, improvement, demolition or removal of any of the Improvements without the prior consent of Lender; or

2.8. Damage to the Property in any manner which is not covered by insurance, which lack of coverage arises solely as a result of Borrower's failure to maintain the insurance required under this Security Instrument; or

2.9. This Security Instrument shall cease to constitute a first priority lien on the Property (other than in accordance with its terms); or

2.10. Seizure or forfeiture of the Property, or any portion thereof, or Borrower's interest therein, resulting from criminal wrongdoing or other unlawful action of Borrower, its affiliates, or any tenant in the Property under any federal, state or local law; or

2.11. If any default occurs under the Indemnity given by Borrower and Indemnitor, if any, to Lender and such default continues after the expiration of applicable notice and grace periods, if any; or

2.12. If any default occurs under any guaranty or indemnity executed in connection herewith and such default continues after the expiration of applicable grace periods, if any; or

2.13. Any other default or Event of Default occurs under this Security Instrument, the Note or any of the other Loan Documents, or a default occurs under any other agreement of Borrower relating to the Loan.

ARTICLE 3 REMEDIES

3.1. List of Remedies. At any time following an Event of Default, Lender may, at its option, and without notice to or demand upon Borrower:

3.1.1. Declare any or all indebtedness secured by this Security Instrument to be due and payable immediately;

3.1.2. Enter onto the Property, and it shall be lawful for the Lender, by such officer or agents, servants and employees as it may appoint or by court appointed receiver, to take possession of the Property (with the relevant books, papers and accounts of the Borrower), and to hold, operate and manage such Property, and from time to time make all needful repairs, and such alterations, additions, advances and improvements as to them shall seem wise; and to receive the rents, income, issues and profits thereof and out of them to pay all proper costs and expenses of so taking, holding and managing such Property, including reasonable compensation to the Lender, its agents, servants and employees and counsel, and any charges of the Lender hereunder, and any taxes and assessments and other charges prior to the lien of these presents which the Lender may deem appropriate to pay. The remainder of the monies so received by it shall be utilized to pay interest and principal on Loan as provided herein;

3.1.3. Cause Borrower to assemble any Personal Property and deliver it to Lender at a place designated by Lender;

3.1.4. Bring a court action to foreclose this Security Instrument or to enforce its provisions or any of the indebtedness or obligations secured by this Security Instrument;

3.1.5. Cause any or all of the Property to be sold under the power of sale granted by this Security Instrument in any manner permitted by applicable law;

3.1.6. Exercise any other right or remedy available under any of the Loan Documents, or otherwise available under law or in equity, including without limitation, rights and remedies with respect to the Personal Property that are available to a Secured Party under the Uniform Commercial Code, and the rights and remedies under Section 3.3 below.

3.2. Appointment of a Receiver. Upon the filing of a bill in equity, or other commencement of judicial proceedings to enforce the rights of the Lender, the Lender, as a matter of right, and without regard to the sufficiency of the security shall be entitled, if Lender in its sole discretion so desires, to the appointment (immediately and without notice to the Borrower, which is hereby waived) of a receiver of the Property, and of the income, rents, issues and profits thereof, pending such proceedings, with such powers as may be required to protect the interest of the Lender as the court making such appointment shall confer.

3.3. Acceleration; Remedies.

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

3.3.2. If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of the Event of Default and of Lender's election to cause the Property to be sold. Trustee and Lender shall give such notices as Oregon law may require to Borrower and to all other persons entitled to receive notice under Oregon law. After the lapse of such time as may be required by Oregon law, Trustee shall sell the Property according to Oregon law. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone the sale of all or any part of the Property for a period or periods not exceeding a total of 180 days by public announcement at the time and place fixed in the notice of sale. Lender or Lender's designee may purchase the Property at any sale.

3.3.3. Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Property so sold without any covenant or warranty, express or implied. The recitals in the 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 five percent (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.

3.4 Waiver of Rights. Borrower waives all rights to direct the order in which any of the Property shall be sold in the event of any sale under this Security Instrument, and also any right to have any of the Property marshaled upon any sale.

3.5. Remedies are Cumulative. All remedies contained in this Security Instrument are cumulative, and Lender also has all other remedies provided by law, in equity, or in any other agreement between Borrower and Lender. No delay or failure by Lender to exercise any right or remedy under this Security Instrument shall be construed to be a waiver of that right or remedy or of any default by Borrower. Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

3.6. Payment of Expenses. Borrower shall pay all of Lender and Trustee's expenses incurred in any efforts to enforce or otherwise protect any terms of this Security Instrument, whether or not any lawsuit is filed, including but not limited to legal fees and disbursements, foreclosure costs, escrow fees, filing fees, recording fees, and title charges.

3.7. No Cure or Waiver. Neither Lender nor Trustee nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Obligation, nor the exercise of any other right or remedy by Lender or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Security Instrument, or nullify the effect of any notice of default or sale (unless all Obligations then due have been paid and performed and Borrower has cured all other defaults), or impair the status of the security, or prejudice Lender or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Lender of any tenancy, lease, or option or a subordination of the lien of this Security Instrument.

3.8. Power to File Notices and Cure Defaults. Borrower hereby irrevocably appoints Lender and its successors and assigns as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and record any notices of completion, cessation of labor, or any other notices that Lender deems appropriate to protect Lender's interest, and (b) upon the occurrence of a Default, to perform any obligation of Borrower hereunder; provided, that (i) Lender, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Lender; and (ii) Lender shall not be liable to Borrower or any other person or entity for any failure to act under this section.

3.9 Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

ARTICLE 4 MISCELLANEOUS

4.1. Invalidity. The invalidity or unenforceability of any one or more provisions of this Security Instrument will in no way affect any other provision.

4.2. Notices. All notices given under this Security Instrument must be in writing and will be effectively served upon personal delivery, overnight delivery by a national overnight delivery service, or, if mailed, no later than forty-eight (48) hours after deposit in first class or certified United States mail, postage prepaid, sent to Lender at its address appearing on the front page of this Security Instrument and sent to Borrower at its address appearing on the front page of this Security Instrument, which address may be changed by written notice.

4.3. Rights of Lender to Release Debtors or Security. Without affecting Borrower's liability for the payment of any of the indebtedness secured by this Security Instrument, Lender may from time to time and without notice to Borrower (a) release any person liable for the payment of this indebtedness, (b) extend or modify the terms of that indebtedness, or (c) accept additional real or personal property of any kind as security, or alter, substitute or release any property securing that indebtedness, or (d) cause the Trustee to consent to the making of any map or plat of the Property, or to reconvey any part of the Property, or to join in granting any easement or creating any restriction on the Property, or to join in any subordination or other agreement affecting this Security Instrument.

4.4. **Inspection Rights.** Lender may at any reasonable times enter upon and inspect the Property in person or by agent.

4.5. **Reconveyance.** Upon payment of the indebtedness, Lender shall request Trustee to reconvey the Property and shall surrender this Instrument and the Note to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property and costs of recording, if any.

4.6. **Governing Law.** This Security Instrument and all rights and obligations hereunder shall be governed by and interpreted according to the laws of the state where the Property is located.

4.7. **Use of Pronouns.** The term "Borrower" includes both the original Borrower and any subsequent owner or owners of any of the Property, and the term "Lender" includes the original Lender and also any future owner or holder, including pledges and participants, of the Note or any interests therein. Whenever the context requires, the singular includes the plural and vice versa and each gender includes each other gender.

4.8. **Headings; Underlining.** The headings of the articles and sections of this Security Instrument are for convenience only and do not limit its provisions. The use of underlining in this Security Instrument is for convenience only, and the parties understand and agree that the presence or absence of underlining shall not be used in interpreting or construing this Security Instrument or any provision hereof.

4.9. **Waiver.** Neither the acceptance of any partial or delinquent payment or performance nor the failure to exercise any rights upon a default shall be a waiver of Borrower's obligations hereunder. Lender's consent to any act or omission by Borrower will not be a consent to any other or subsequent act or omission or a waiver of the need for such consent in any future or other instance.

4.10. **Successors and Assigns.** Subject to the provisions of Section 1.6 hereof, the terms of this Security Instrument shall bind and benefit heirs, legal representatives, successors and assigns of Borrower and Lender and the successors in trust of Trustee.

4.11. **Joint and Several Liability.** If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the Obligations of Borrower.

4.12. **Substitute Trustee.** In accordance with Oregon law, Lender may from time to time appoint a successor trustee to any Trustee appointed under this Instrument who has ceased to act. Without conveyance of the Mortgaged Property, the successor trustee shall succeed to all the title, power and duties conferred upon the predecessor Trustee and by Oregon law.

4.13. **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 proceed 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.

4.14. 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.

4.15. Time of the Essence. Time of the Essence as to all obligations under this security instrument.

4.16. Requests For Notice. Borrower requests that a copy of any notice of default and notice of sale required by law be mailed to it at its address set forth above.

4.17. No Fiduciary Duty. Lender owes no fiduciary or other special duty to Borrower.

4.18. Conformity of Remedies; Mortgage. Any procedures or remedies provided herein shall be modified by and replaced with, where inconsistent with or required by, any procedures or requirements of the laws of the state in which the Property is located. In addition, should this instrument be or become ineffective as a Security Instrument, then these presents shall be construed and enforced as a realty mortgage with the Borrower being the mortgagor and Lender being the mortgagee.

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

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

THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW. (Each reference to "you" and "your" shall refer to Borrower and each reference to "us" and "we" shall refer to Lender.)

4.20. No Oral Commitments Notice. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY LENDER AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY LENDER TO BE ENFORCEABLE.

ARTICLE 5
ASSIGNMENT OF LEASES AND RENTS

5.1. Scope of Assignment. Borrower hereby absolutely and irrevocably grants, sells, assigns, transfers and sets over to Lender:

5.1.1. Rents. All Rents now existing or hereafter created and affecting all or any portion of the Property or the use or occupancy thereof.

5.1.2. Leases. All of Borrower's right, title and interest in and to all leases, subleases, subtenancies, licenses, occupancy agreements and concessions covering Property or any portion thereof or space therein now or hereafter existing, including all modifications, amendments, extensions and renewals thereof, and all rights and privileges incident thereto (collectively "**Leases**").

5.1.3. Security Deposits. All security deposits, guaranties and other security now or hereafter held by Borrower as security for the performance of the obligations of the Lessees under the Leases.

5.2. Effect of Assignment. This Assignment is intended by Borrower and Lender to create and shall be construed to create an assignment to Lender of all of Borrower's right, title and interest in the Rents and in the Leases, and shall be deemed to create a security interest therein for the payment of any indebtedness or the performance of any obligations of Borrower under the Note, the Trust Indenture or this Security Instrument. Borrower and Lender further agree that, during the term of this Assignment, the Rents shall not constitute property of Borrower (or of any estate of Borrower) within the meaning of 11 U.S.C. § 541, as amended from time to time.

5.3. Grant of License. By its acceptance of this Assignment and so long as an Event of Default shall not have occurred and be continuing hereunder, Lender hereby grants to Borrower a revocable license to enforce the Leases, to collect the Rents, to apply the Rents to the payment of costs and expenses incurred in connection with the development, construction, operation, maintenance, repair and restoration of the Property, and to any indebtedness secured thereby and to distribute the balance, if any, to Borrower. As a condition of this license, Borrower shall provide Lender copies of all lease agreements on any portion of the Property with a lease period of one (1) year or more in duration. Copies of lease agreement for periods of less than one (1) year shall be delivered to Lender only in the event Borrower, in the exercise of appropriate business care, shall determine that the lease is of such importance to the Lender's interest in the collateral that the existence and terms of the lease should be disclosed.

5.4. Revocation of License. Upon the occurrence of an Event of Default, and at any time thereafter during the continuance of such default, Lender shall have the right to revoke the license granted to Borrower hereby by giving written notice of such revocation to Borrower. Upon such revocation, Borrower shall promptly deliver to Lender all Rents then held by Borrower and Lender shall thereafter be entitled to enforce the Leases, to collect and receive, without deduction or offset, all Rents payable thereunder, including, but not limited to, all Rents which were accrued and unpaid as of the date of such revocation and to apply such Rents as provided in this Security Instrument.

5.5. Appointment of Borrower as Agent for Lender.

5.5.1. Purpose of Appointment. Upon such revocation, Lender may, at its option, appoint Borrower to act as agent for Lender for the purpose of:

5.5.1.1. Managing and operating the Property and paying all expenses incurred in connection therewith and approved by Lender.

5.5.1.2. Enforcing the provisions of the Leases.

5.5.1.3. Collecting all Rents due thereunder.

5.5.2. Notice to Borrower to Act as Agent. If Lender so elects, Lender shall give written notice thereof to Borrower and Borrower agrees to act as agent of assignee for the purpose or purposes specified in such notice. Borrower shall promptly comply with all instructions and directions from Lender with respect thereto. Borrower shall not be entitled to any management fee, commission or other compensation unless expressly agreed to in writing by Lender.

5.5.3. Deposit of Rents Collected. All Rents collected by Borrower as agent for Lender pursuant to this Section shall be immediately deposited in an insured account in the name of Lender in a bank or other financial institution designated by Lender. All Rents collected by Borrower and all amounts deposited in such account, including interest thereon, shall be the property of Lender and Borrower shall not be entitled to withdraw any amount from such account without the prior written consent of Lender.

5.5.4. Purpose of Agency. The agency hereby created shall be solely responsible for the purpose of implementing the provisions of this Assignment and collecting the Rents due Lender hereunder. Nothing contained herein shall place upon Lender the responsibility for the management, control, operation, repair, maintenance or restoration of the Property nor shall Lender be liable under or be deemed to have assumed Borrower's obligations with respect to the Leases. Lender may at any time terminate the agency relationship with Borrower by written notice to Borrower.

5.6. Collection by Lender. Upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof, Lender shall have the right, in addition to the rights granted pursuant to this Section 5.6 hereof, to collect all or any portion of the Rents assigned hereby directly or through a court-appointed receiver. Such right shall include any and all of the following:

5.6.1. Notice to Lessees to Pay Rents to Lender. The right to notify the Lessee or Lessees under the Leases, with or without taking possession of the Property, to demand that all Rents under such Leases thereafter be paid to Lender;

5.6.2. Enter and Possess the Property. The right to enter into possession of the Property, to assume control with respect to and to pay all expenses incurred in connection with the development, construction, operation, maintenance, repair or restoration of the Property, to enforce all Leases and to collect all Rents due there under, to apply all Rents received by Lender, to amend, modify, extend, renew and terminate any or all Leases, to execute new Leases, and to do all other acts which Lender shall determine, in its sole discretion, to be necessary or desirable to carry out the purposes of this Assignment; and

5.6.3. Specific Performance. The right to specifically enforce the provisions of this Assignment and if Lender shall so elect, to obtain the appointment of a receiver pursuant to and in accordance with the provisions of this Security Instrument.

5.7. Protection of Lessees. Borrower and Lender agree that all Lessees under any Leases shall be bound by and required to comply with the provisions of this Assignment. In connection therewith, Borrower and Lender further agree as follows:

5.7.1. Notice to Lessees of Assignment. If requested by Lender, Borrower shall: (i) notify each Lessee under any Lease now affecting all or any portion of the Property of the existence of this Assignment and the rights and obligations of Borrower and Lender hereunder; (ii) provide each Lessee with a copy of this Assignment; and (iii) obtain such Lessee's agreement to be bound and comply with the provisions hereof.

5.7.2. Reference to Assignment. All Leases hereafter executed with respect to the Property or any portion thereof shall contain a reference to this Assignment and shall state that such Lessee shall be bound by and shall comply with the provisions hereof.

5.7.3. Occurrence of Event of Default. Upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof, Lender may, at its option, send any Lessee a notice to the effect that: (i) an Event of Default has occurred and that Lender has revoked Borrower's license to collect the Rents; (ii) Lender has elected to exercise its rights under this Assignment; and (iii) such Lessee is thereby directed to thereafter make all payments of Rents and to perform all obligations under its lease or for the benefit of Lender or as Lender shall direct.

5.7.4. Notice to Lessee to Comply with Leases. Upon receipt of any such notice from Lender, each Lessee is hereby instructed by Borrower and Lender to comply with the provisions of such notice, to make all payments of Rents and to perform all obligations under the lease to and for the benefit of Lender or as Lender shall direct. Such notice and direction shall remain effective until the first to occur of: (i) the receipt by Lessee of a subsequent notice from Lender to the effect that such Event of Default has been cured or that Lender has appointed Borrower to act as agent for Lender pursuant to this Assignment; (ii) the appointment of a receiver pursuant to this Assignment, in which event such Lessee shall thereafter make payments of Rents and perform all obligations under the leases as may be directed by such receiver; or (iii) the issuance of an order of a court of competent jurisdiction terminating this Assignment or otherwise directing such Lessee to pay Rents and perform its obligations in a manner inconsistent with said notice.

5.7.5. Lessee's Reliance on Notice from Lender. Each Lessee shall be entitled to rely upon any notice from Lender and shall be protected with respect to any payment of Rents made pursuant to such notice.

5.7.6. No Duty for Lessee to Investigate. Each Lessee who receives a notice from Lender pursuant to this Assignment shall not be required to investigate or determine the validity or accuracy of such notice or the validity or enforceability of this Assignment. Borrower hereby agrees to indemnify, defend and hold such Lessee harmless from and against any and all loss, claim, damage or liability arising from or related to payment of Rents or performance of obligations under any lease by such Lessee made in good faith in reliance on and pursuant to such notice.

5.7.7. No Assumption by Lender of Lease Obligations. The payment of Rents to Lender pursuant to any such notice and the performance of obligations under any Lease to or for the benefit of Lender shall not cause Lender to assume or be bound by the provisions of such Lease, including, but not limited to, duty to return any security deposit to the Lessee under such lease unless and to the extent such security deposit was paid to Lender by Borrower.

5.7.8. Assignment Binding on Lessees. The provisions of this Section 5.7 are expressly made for the benefit of and shall be binding on and enforceable by each Lessee under any Lease now or hereafter affecting all or any portion of the Property.

5.8. Application of Rents; Security Deposits. All Rents received by Lender pursuant to this Assignment shall be applied by Lender, in its sole discretion, to any of the following:

5.8.1. First, to pay any costs and expenses of collection of the Rents that may be incurred by Lender;

5.8.2. Second, to pay any costs and expenses incurred by Lender in connection with the development, construction, operation, maintenance, repair or restoration of the Property;

5.8.3. Third, to the establishment of reasonable reserves for working capital and for anticipated or projected costs and expenses of the Property, including, without limitation, capital improvements which may be necessary or desirable or required by law;

5.8.4. Fourth, to the payment of any indebtedness then owing by Borrower to Lender; and

5.8.5. Thereafter, to remit the remainder, if any, to the person or persons entitled thereto.

5.8.6. In connection therewith, Borrower further agrees that all Rents received by Lender from any Lessee may be allocated, if Lender so elects, to the payment of all current obligations of such Lessee under its Lease and not to amounts which may be accrued and unpaid as of the date of revocation of Borrower's license to collect such Rents. Lender may, but shall have no obligation to, pursue any Lessee for the payment of Rents which may be due under its lease with respect to any period prior to the exercise of Lender's rights under this Assignment or which may become due thereafter. Lender shall not be liable to any Lessee for the payment or return of any security deposit under any Lease unless and to the extent that such security deposit has been paid to and received by Lender, and Borrower agrees to indemnify, defend and hold Lender harmless from and against any and all losses, claims, damages or liabilities arising out of any claim by a Lessee with respect thereto. Borrower further agrees that the collection of Rents by Lender and the application of such Rents by Lender to the costs, expenses and obligations referred to herein shall not cure or waive any default or Event of Default or invalidate any act (including, but not limited to, any sale of all or any portion of the Property or any property now or hereafter securing the Loans) done in response to or as a result of such Event of Default or pursuant to any notice of default or notice of sale issued pursuant to this Security Instrument.

5.9. Covenants of Borrower. Borrower agrees as follows:

5.9.1. No Amendment or Termination of Leases. Borrower shall not enter into, amend, modify or terminate any lease of all or any portion of the Property, except in accordance with the provisions of this Security Instrument;

5.9.2. No acceptance of Advance Rent. Borrower shall not accept advance rent in excess of one (1) month from any Lessee without the prior written consent of Lender;

5.9.3. Delivery of Leases. Upon request by Lender, Borrower shall provide Lender with true, correct and complete copies of all Leases, together with such other information relating to the Leases or to the Lessees thereunder as Lender shall reasonably request; and

5.9.4. Lender's Rights to Inspect Books and Records. Upon request of Lender, Borrower shall make available to Lender all books, records, financial statements and other information relating to the Leases, the collection of all Rents, and the disposition and disbursement thereof.

5.10. Priority of Assignment; Further Assurances. Borrower hereby represents and warrants that the Assignment of Rents hereby granted is a first priority assignment and that no other assignments of all or any portion of the Rents or the leases exist or remain outstanding. Borrower agrees to take such action and to execute, deliver and record such documents as may be reasonably necessary to evidence such assignment, to establish the priority thereof and to carry out the intent and purpose hereof, if requested by Lender, Borrower shall execute a specific assignment of any lease now or hereafter affecting all or any portion of the Property.

5.11. Lender Not Responsible for Borrower's Obligations. Nothing contained herein shall operate or be construed to obligate Lender to perform any of the terms, covenants and conditions contained in any lease or otherwise to impose any obligation upon Lender with respect to any lease, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the Lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such Lessee shall have been thereby terminated. Prior to actual entry into and taking possession of the Property by Lender, this Assignment shall not operate to place upon Lender any responsibility for the operation, control, care, management or repair of the Property or any portion thereof and the execution of this Assignment by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

5.12. Termination of Assignment. A full and complete release and reconveyance of this Security Instrument shall operate as a full and complete release of all of Lender's rights and interest hereunder. Upon the recordation of such release and reconveyance, this Assignment shall thereafter be void and of no further effect.

THIS SECURITY INSTRUMENT IS A FIRST DEED OF TRUST. NO FURTHER DEEDS OF TRUST OR SECURITY DEEDS WILL BE RECORDED AGAINST THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE LENDER. FAILURE TO COMPLY WITH THIS PROVISION SHALL CONSTITUTE A DEFAULT AND THE LOANS SHALL IMMEDIATELY BECOME DUE AND PAYABLE. CONSENT TO ONE FURTHER ENCUMBRANCE SHALL NOT BE DEEMED TO BE A WAIVER OF THE RIGHT TO REQUIRE SUCH CONSENT TO FUTURE OR SUCCESSIVE ENCUMBRANCES.

IN WITNESS WHEREOF, the undersigned have hereto set their hand and seal the above day and year above written.

BORROWER:

HORIZON COMMUNITY CHURCH

By: [Signature]
Stan Russell, Senior Pastor

By: [Signature]
William Stine, Secretary/Treasurer

STATE OF OREGON)
COUNTY OF Clackamas) ss.

This instrument was acknowledged before me on 9/24/15, 2015, by Stan Russell, Senior Pastor, and William Stine, Secretary/Treasurer, of Horizon Community Church.

(SEAL)

[Signature]
Notary Public

My commission expires 6/19/17.

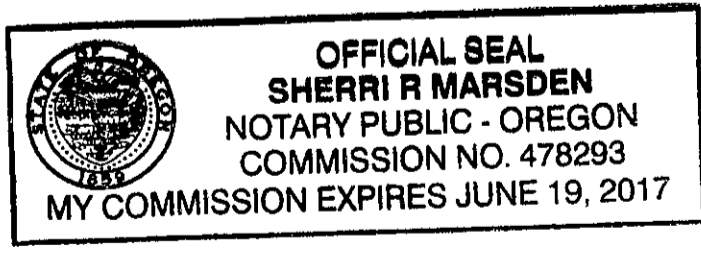


EXHIBIT "A"

Legal Description

PARCEL I:

TRACT 1:

A TRACT OF LAND LYING IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 35; THENCE EAST 676.0 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF THE R.H. BALDOCK FREEWAY;
THENCE SOUTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE 675.0 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 4, TUALATIN ORCHARD TRACT [PLAT BOOK 6, PAGE 0022], WASHINGTON COUNTY, OREGON;
THENCE WESTERLY ALONG SAID NORTHERLY LINE AND ITS EXTENSION THEREOF 490.0 FEET TO THE SOUTHEAST CORNER OF PARCEL I AS DESCRIBED IN DEED TO JAMES KING & CO., AN OREGON CORPORATION, RECORDED APRIL 25, 1975, IN BOOK 1020, PAGE 0386, DEED RECORDS OF WASHINGTON COUNTY, OREGON;
THENCE NORTH 0° 14' EAST 330.0 FEET TO THE NORTHEAST CORNER OF SAID KING TRACT; THENCE SOUTH 89° 53' 45" WEST ALONG THE NORTHERLY LINE OF SAID KING TRACT 1380.12 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF STATE HIGHWAY 217 (SW BOONES FERRY ROAD);
THENCE NORTHERLY ALONG THE EASTERLY RIGHT OF WAY LINE TO A POINT ON THE SOUTH LINE OF THAT TRACT OF LAND CONVEYED TO KENNETH L. FURROW, ET UX, RECORDED MARCH 25, 1970, IN BOOK 774, PAGE 0864, DEED RECORDS OF WASHINGTON COUNTY, OREGON;
THENCE EAST 1280 FEET TO A POINT ON THE WEST LINE OF THAT TRACT OF LAND CONVEYED TO THE CITY OF TUALATIN, RECORDED JULY 12, 1971, IN BOOK 825, PAGE 0873, DEED RECORDS OF WASHINGTON COUNTY, OREGON (SAID POINT BEING 16.5 FEET SOUTH OF THE NORTHWEST CORNER OF SAID CITY OF TUALATIN TRACT);
THENCE SOUTH ALONG SAID WEST LINE EXTENDED 660.0 FEET;
THENCE EAST 16.5 FEET;
THENCE NORTH 16.5 FEET TO THE POINT OF BEGINNING.

SAVE AND EXCEPT PARCELS A, B, C, & D AS FOLLOWS:

PARCEL A:

BEGINNING AT A POINT WHICH IS 295 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON;
THENCE EAST 380 FEET TO A POINT;
THENCE SOUTH 575 FEET TO A POINT;
THENCE WEST TO A POINT IN THE CENTER OF SOUTHWEST BOONES FERRY ROAD (STATE HIGHWAY NO. 217);
THENCE IN A NORTHERLY DIRECTION ALONG THE CENTER LINE OF SOUTHWEST BOONES FERRY ROAD TO THE POINT OF BEGINNING.

PARCEL B:

BEGINNING AT A POINT WHICH IS 295 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON;
THENCE EAST 740 FEET TO A POINT;
THENCE SOUTH 625 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 625 FEET TO A POINT;
THENCE WEST 360 FEET TO A POINT;
THENCE SOUTH 575 FEET TO A POINT;
THENCE WEST TO A POINT IN THE CENTER OF SOUTHWEST BOONES FERRY ROAD (STATE HIGHWAY NO. 217);
THENCE IN A SOUTHERLY DIRECTION TO THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO GEORGE H. ANDREWS BY BARGAIN AND SALE DEED, RECORDED APRIL 25, 1975 IN BOOK 1020, PAGE 0383, RECORDS OF WASHINGTON COUNTY, OREGON;
THENCE EAST ALONG THE NORTH LINE OF THE SAID ANDREWS TRACT TO THE POINT OF BEGINNING.

PARCEL C:

A PORTION OF PARCEL I OF THOSE CERTAIN TRACTS OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, CONVEYED TO GRACE COMMUNITY CHURCH OF THE ASSEMBLIES OF GOD, INC., BY DEED RECORDED JUNE 12, 2001, AS FEE NO. 2001 055727, WASHINGTON COUNTY, OREGON, DEED RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF PARCEL II, SAID DOCUMENT RECORDED JUNE 12, 2001, AS FEE NO. 2001 055727, WHICH POINT BEARS NORTH 89° 38' 45" EAST 284.71 FEET FROM THE SOUTHWEST CORNER THEREOF, AND RUNNING THENCE ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID PARCEL II, NORTH 89° 38' 45" EAST 465.03 FEET;
THENCE SOUTH 00° 09' 07" EAST 972.37 FEET TO A POINT ON THE NORTH LINE OF THAT CERTAIN TRACT OF LAND CONVEYED TO GRACE COMMUNITY CHURCH BY DEED RECORDED JANUARY 11, 2002, AS FEE NO. 2002 004397, SAID DEED RECORDS;
THENCE SOUTH 89° 36' 05" WEST ALONG SAID NORTH LINE, 281.60 FEET;
THENCE NORTH 00° 00' 00" EAST 452.22 FEET;
THENCE NORTH 60° 00' 00" WEST 212.13 FEET;
THENCE NORTH 00° 05' 57" WEST 98.50 FEET;
THENCE NORTH 30° 00' 00" EAST 121.00 FEET;
THENCE NORTH 00° 00' 00" EAST 101.39 FEET;
THENCE NORTH 30° 00' 00" WEST 125.27 FEET TO THE POINT OF BEGINNING.

PARCEL D:

A PORTION OF PARCEL I OF THOSE CERTAIN TRACTS OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, CONVEYED TO GRACE COMMUNITY CHURCH OF THE ASSEMBLIES OF GOD, INC., BY DEED RECORDED JUNE 12, 2001, AS FEE NO. 2001 055727, WASHINGTON COUNTY, OREGON, DEED RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO GRACE COMMUNITY CHURCH BY DEED RECORDED JANUARY 11, 2002, AS FEE NO. 2002 004397, SAID DEED RECORDS, AND RUNNING THENCE ALONG THE BOUNDARY OF SAID PARCEL I, NORTH 89° 34' 49" EAST 485.62 FEET, NORTH 15° 44' 54" EAST 690.21 FEET, SOUTH 89° 35' 49" WEST 674.70 FEET, SOUTH 08° 09' 07" EAST 36.50 FEET, AND SOUTH 69° 38' 49" WEST 16.50 FEET;
THENCE SOUTH 00° 09' 07" EAST 313.47 FEET TO A POINT ON THE NORTH LINE OF SAID DOCUMENT RECORDED JANUARY 11, 2002, AS FEE NO. 2002 004397;
THENCE ALONG THE BOUNDARY THEREOF, NORTH 89° 36' 05" EAST 16.50 FEET AND SOUTH 00° 08' 37" EAST 313.16 FEET TO THE POINT OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

TRACT 2:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, EAST 551 FEET FROM THE CENTER OF SAID SECTION 35;
THENCE EAST ALONG THE ONE-QUARTER SECTION LINE 752.5 FEET;
THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER 676.5 FEET TO A POINT;
THENCE WEST PARALLEL TO THE NORTH LINE OF SAID SOUTHEAST ONE-QUARTER 752.5 FEET TO A POINT;
THENCE NORTH PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER 676.5 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH A PORTION OF PARCEL I OF THOSE CERTAIN TRACTS OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, CONVEYED TO GRACE COMMUNITY CHURCH OF THE ASSEMBLIES OF GOD, INC., BY DEED RECORDED JUNE 12, 2001, AS FEE NO. 2001 055727, WASHINGTON COUNTY, OREGON, DEED RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF PARCEL II, SAID DOCUMENT RECORDED JUNE 12, 2001, AS FEE NO. 2001 055727, WHICH POINT BEARS NORTH 89° 38' 45" EAST 284.71 FEET FROM THE SOUTHWEST CORNER THEREOF, AND RUNNING THENCE ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID PARCEL II, NORTH 89° 38' 45" EAST 465.03 FEET;
THENCE SOUTH 00° 09' 07" EAST 972.37 FEET TO A POINT ON THE NORTH LINE OF THAT

CERTAIN TRACT OF LAND CONVEYED TO GRACE COMMUNITY CHURCH BY DEED RECORDED JANUARY 11, 2002, AS FEE NO. 2002 004397, SAID DEED RECORDS;
THENCE SOUTH 89° 36' 05" WEST ALONG SAID NORTH LINE, 281.60 FEET;
THENCE NORTH 00° 00' 00" EAST 452.22 FEET;
THENCE NORTH 60° 00' 00" WEST 212.13 FEET;
THENCE NORTH 00° 05' 57" WEST 98.50 FEET;
THENCE NORTH 30° 00' 00" EAST 121.00 FEET;
THENCE NORTH 00° 00' 00" EAST 101.39 FEET;
THENCE NORTH 30° 00' 00" WEST 125.27 FEET TO THE POINT OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008

TRACT 3:

BEGINNING AT A POINT WHICH IS 295 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST, OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON;
THENCE EAST 740 FEET TO A POINT;
THENCE SOUTH 625 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 625 FEET TO A POINT;
THENCE WEST 360 FEET TO A POINT;
THENCE SOUTH 575 FEET TO A POINT;
THENCE WEST TO A POINT IN THE CENTER OF SOUTHWEST BOONES FERRY ROAD (STATE HIGHWAY NO. 217);
THENCE IN A SOUTHERLY DIRECTION TO THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO GEORGE H. ANDREWS BY BARGAIN AND SALE DEED, RECORDED APRIL 25, 1975, IN BOOK 1020, PAGE 0383, RECORDS OF WASHINGTON COUNTY, OREGON;
THENCE EAST ALONG THE NORTH LINE OF THE SAID ANDREWS TRACT TO THE POINT OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

TRACT 4:

A TRACT OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON, 294 FEET EAST OF AN IRON BAR MARKING THE CENTER OF SAID SECTION;
THENCE EAST ALONG SAID NORTH LINE, 257 FEET TO A POINT;
THENCE SOUTH PARALLEL TO THE WEST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 35, A DISTANCE OF 660 FEET TO A POINT;
THENCE WEST PARALLEL TO THE NORTH LINE OF SAID SOUTHEAST ONE-QUARTER

OF SECTION 35, A DISTANCE OF 257 FEET;
THENCE NORTH PARALLEL TO THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER
660 FEET TO THE POINT OF BEGINNING.

ALSO, THAT PORTION OF THOSE CERTAIN LANDS DESCRIBED OF RECORD IN BOOK
731, PAGE 0454, LYING SOUTH OF, ALONG AND WITHIN 16 1/2 FEET OF THE SOUTH
BOUNDARY OF THE TRACT ABOVE DESCRIBED.

EXCEPTING THEREFROM THE FOLLOWING:

A TRACT OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2
SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF
WASHINGTON AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

BEGINNING AT A 5/8 INCH ROD AND CAP ON THE CENTER LINE OF SECTION 35,
TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY
OF WASHINGTON AND STATE OF OREGON, SITUATED NORTH 89°41'41" EAST, 379.00
FEET FROM THE MONUMENT MARKING THE CENTER OF SAID SECTION 35;
THENCE NORTH 89° 41' 41" EAST, 172.00 FEET TO A 5/8 INCH ROD AND CAP;
THENCE SOUTH 0° 05' 16" EAST, 262.00 FEET PARALLEL WITH THE WEST LINE OF THE
SOUTHEAST ONE-QUARTER OF SAID SECTION 35 TO A 5/8 INCH ROD AND CAP;
THENCE SOUTH 89° 41' 41" WEST, 110.00 FEET TO A 5/8 INCH ROD AND CAP;
THENCE NORTH 53° 03' 41" WEST, 77.67 FEET TO A 5/8 INCH ROD AND CAP;
THENCE NORTH 0° 05' 16" WEST 215.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED
TO WILLIAM GORDON MOORE RECORDED AUGUST 03, 1972 IN BOOK 880, PAGE 0735,
RECORDS OF WASHINGTON COUNTY, OREGON.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

Parcel I is commonly known as 23370 SW Boones Ferry Road, Tualatin, Oregon

PARCEL II:

A TRACT OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 25,
TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF
TUALATIN, COUNTY OF WASHINGTON, AND STATE OF OREGON, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 2-INCH IRON PIPE ON THE WEST LINE OF THE NORTHEAST ONE-
QUARTER OF SAID SECTION MARKING THE NORTHWEST CORNER OF LOT 105,
SANDHURST NO. 2 [PLAT BOOK 47, PAGE 0032], A PLAT OF RECORD;
THENCE ALONG SAID ONE-QUARTER SECTION LINE NORTH 0° 09' 28" EAST, 230.00 TO
THE
TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID LINE, NORTH 0° 09' 28" EAST, 661.34 FEET TO THE
SOUTH RIGHT OF WAY LINE OF SOUTHWEST SAGERT STREET (COUNTY ROAD NO.
2430) AS WIDENED FOR THE SAGERT STREET OVERPASS CROSSING THE O.D.O.T. I-5
HIGHWAY;

THENCE ALONG SAID LINE, NORTH 83° 07' 49" EAST 443.75 FEET;
THENCE NORTH 89° 38' 02" EAST, 153.21 FEET TO A POINT ON THE WESTERLY RIGHT
OF WAY LINE OF SOUTHWEST 72ND AVENUE AS PLATTED PER SAID SANDHURST NO.
2 [PLAT BOOK 47, PAGE 0032];
THENCE ALONG SAID LINE, SOUTH, A DISTANCE OF 210.00 FEET;
THENCE LEAVING SAID LINE, WEST A DISTANCE OF 175.72 FEET;
THENCE SOUTH 57° 21' 18" WEST, 58.58 FEET;
THENCE SOUTH 25° 27' 48" WEST, 81.30 FEET;
THENCE SOUTH 4° 00' 00" EAST, 100.00 FEET;
THENCE SOUTH 21° 45' 18" EAST, 65.00 FEET;
THENCE SOUTH A DISTANCE OF 55.00 FEET;
THENCE SOUTH 63° 11' 36" WEST, 410.80 FEET TO THE POINT OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

Parcel II is commonly known as 7400 SW Sagert Street, Tualatin, Oregon

PARCEL III:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF SMOCKVILLE [PLAT
BOOK 1, PAGE 0039], A SUBDIVISION OF RECORD IN SECTION 32, TOWNSHIP 2 SOUTH,
RANGE 1 WEST, OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON
AND STATE OF OREGON;
THENCE NORTH 43° 18' WEST 60.0 FEET FROM THE MOST WESTERLY CORNER OF
BLOCK 7, THEREOF;
AND RUNNING THENCE AT RIGHT ANGLES TO SAID NORTHWESTERLY LINE NORTH
43° 18' WEST 255.0 FEET TO AN IRON ROD;
THENCE RUNNING NORTH 72° 56' EAST 111.5 FEET TO AN IRON ROD ON THE
NORTHERLY LINE OF THAT CERTAIN TRACT CONVEYED TO SHERWOOD GRANGE NO.
272, PATRONS OF HUSBANDRY, BY DEED RECORDED ON PAGE 0139 AT BOOK 316,
WASHINGTON COUNTY, OREGON DEED RECORDS;
THENCE RUNNING SOUTH 43° 18' EAST 205.7 FEET TO AN IRON ROD ON THE
NORTHWESTERLY LINE OF SMOCKVILLE [PLAT BOOK 1, PAGE 0039];
THENCE SOUTH 46° 42' WEST 100.0 FEET TO THE PLACE OF BEGINNING.
SAVE AND EXCEPT THAT PART DESCRIBED IN DEED TO SHERWOOD FRIENDS
CHURCH OF OREGON, RECORDED IN BOOK 405, PAGE 0304, DEED RECORDS,
WASHINGTON COUNTY, OREGON.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

Parcel III is commonly known as 22240 SW Washington Street, Sherwood, Oregon

EXHIBIT B
DESCRIPTION OF COLLATERAL

- (a) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the land as described in Exhibit "A" ("Property"), and all fixtures, machinery, equipment, building materials, engines, devices for the operation of pumps, pipes, sprinkler systems, fire extinguishing apparatuses and equipment, laundry, appliances and goods of every nature now or hereafter located on or upon, or intended to be used in connection with, the Property or the improvements thereon, including, but not by way of limitation, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators and related machinery and equipment; all plumbing; and all personal property and fixtures of every kind and character now or at any time hereafter located in or upon the Property or the improvements thereon, of which may now or hereafter be used or obtained in connection therewith, including, without limitation, fixtures, machinery, equipment, appliances (including disposals dishwashers, refrigerators, ranges, range hoods, etc.), vehicles, recreational equipment and facilities of all kinds, building supplies and materials, books and records, chattels, inventory, accounts, farm products, consumer goods, general intangibles and personal property of every kind and nature whatsoever now or hereafter owned by Debtor and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Property or any improvements thereon, including all extensions, additions, improvements, betterments, after-acquired property, renewals, replacements and substitutions, or proceeds from a permitted sale of any of the foregoing, and all the right, title and interest of Debtor in any such fixtures, machinery, equipment, appliances, vehicles and personal property subject to or covered by any prior security agreement, conditional sales contract, chattel mortgage or similar lien or claim, together with the benefit of any deposit or payments now or hereafter made by Debtor or on behalf of Debtor; and all inventory, accounts, chattel paper, documents, equipment, fixtures, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any of the property described herein, and all other interests of every kind and character in all of the real, personal, intangible and mixed properties described herein which Debtor may now own or at any time hereafter acquire, all of which are hereby declared and shall be deemed to be fixtures and accessions to the Property and a part of the Property as between the parties hereto and all persons claiming by, through or under them.
- (b) All trade names, trademarks, service marks, logos and goodwill related thereto which in any way now or hereafter belong, relate or appertain to the Property or any improvements thereon or any part thereof or are now or hereafter acquired by Debtor.
- (c) All of the interest of Debtor in all easements, rights-of-way, licenses, operating agreements, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, oil gas, other hydrocarbons, sulphur, nitrogen, carbon dioxide, helium, and other minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Property or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions and remainders, whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Debtor.

- (d) All income (but not limited to, all revenues, pledges, income, gifts, donations and offerings from whatever source owned by Debtor), rents, issues, royalties, profits, revenues and other benefits of the Property from time to time accruing, all payments under leases or tenancies, proceeds of insurance, condemnation awards and payments and all payments on account of oil and gas and other mineral leases, working interests, production payments, royalties, overriding royalties, rents, delay rents, operating interests, participating interests and other such entitlements, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Debtor of, in and to the same (hereinafter collectively referred to as the "Revenues"); reserving only the right to Debtor to collect the Revenues as provided in the Deed of Trust, Assignment of Leases and Rents and Security Agreement executed by Debtor in favor of Secured Party, as permitted by state law.
- (e) All refunds, rebates or credits in connection with any reduction in real estate taxes and assessments.
- (f) The right, in the name and on behalf of Debtor, to appear in and defend any action or proceeding brought with respect to the property and to commence any action or proceeding to protect the interest of Lender in the Property.
- (g) All construction or development contracts, subcontracts, architectural agreements, labor, material and payment bonds, and plans and specifications relating, to the construction of improvements on the Property including, without limitation (i) any engineering or architectural agreements entered into with respect to the design and other engineering or architectural services; (ii) the plans and specifications for the construction of said improvements prepared by any engineer or architect; and (iii) any agreements entered into with contractors, suppliers, materialmen or laborers with respect to construction of improvements on the Property.
- (h) If applicable, any and all management contracts, agreements, or other correspondence entered into by and between Debtor and third parties for the management of the collateral secured hereby.
- (i) Together with any and all additional items of Debtor's personal property, furnishings, fixtures, equipment, furniture, trade fixtures, and other items of property not heretofore referenced above, including any and all musical instruments, church pews, chairs, pulpits, podiums, video and audio equipment, video monitors, sound boards, microphones, speakers, light fixtures, stage or theatrical lighting, lighting controls, security systems, telephone systems, projectors (including, but not limited to, screens and cabling), computers (including, but not limited to, network systems and associated hardware), signage, artwork and sculptures, kitchen equipment (including, but not limited to, appliances, cookware, and utensils), café/coffee equipment, office furniture and equipment (including, but not limited to, desks, tables and chairs), play sets/playground equipment, and all other items used in connection with the operation of the premises as a church and related church functions, whether previously owned, acquired as a result of this financing, or acquired through any other means now or hereafter and used in connection with the operation of the premises as a church and related church functions.



**PUBLIC RECORD REPORT
FOR NEW SUBDIVISION OR LAND PARTITION**

Supplemental

THIS REPORT IS ISSUED BY THE ABOVE-NAMED COMPANY ("THE COMPANY") FOR THE EXCLUSIVE USE OF:

Ken Allen Properties
16998 Greentree Avenue
Lake Oswego , OR 97034
Phone:
Fax:

Date Prepared : November 29, 2023
Effective Date : 8:00 A.M on November 15, 2023
Order No. : 7019-4116833
Subdivision :

The information contained in this report is furnished by First American Title Insurance Company (the "Company") as an information service based on the records and indices maintained by the Company for the county identified below. This report is not title insurance, is not a preliminary title report for title insurance, and is not a commitment for title insurance. No examination has been made of the Company's records, other than as specifically set forth in this report. Liability for any loss arising from errors and/or omissions is limited to the lesser of the fee paid or the actual loss to the Customer, and the Company will have no greater liability by reason of this report. This report is subject to the Definitions, Conditions and Stipulations contained in it.

REPORT

- A. The Land referred to in this report is located in the County of Washington, State of Oregon, and is described as follows:

As fully set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

- B. As of the Effective Date, the tax account and map references pertinent to the Land are as follows:

As fully set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

- C. As of the Effective Date and according to the Public Records, we find title to the land apparently vested in:

As fully set forth on Exhibit "B" attached hereto and by this reference made a part hereof

- D. As of the Effective Date and according to the Public Records, the Land is subject to the following liens and encumbrances, which are not necessarily shown in the order of priority:

As fully set forth on Exhibit "C" attached hereto and by this reference made a part hereof.

EXHIBIT "A"
(Land Description Map Tax and Account)

PARCEL 1:

A TRACT OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, WASHINGTON COUNTY, OREGON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH ROD AND CAP ON THE CENTERLINE OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, SITUATED NORTH 89°41'41" EAST, 379.00 FEET FROM THE MONUMENT MARKING THE CENTER OF SAID SECTION 35; THENCE NORTH 89°41'41" EAST 172.00 FEET TO A 5/8 INCH IRON ROD AND CAP; THENCE SOUTH 0°05'16" EAST, 262.00 FEET PARALLEL WITH THE WEST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 35 TO A 5/8 INCH ROD AND CAP; THENCE SOUTH 89°41'41" WEST, 110.00 FEET TO A 5/8 INCH ROD AND CAP; THENCE NORTH 53°03'41" WEST, 77.67 FEET TO A 5/8 INCH ROD AND CAP; THENCE NORTH 0°05'16" WEST, 215.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

PARCEL I:

A TRACT OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, WASHINGTON COUNTY, OREGON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 35; THENCE EAST 676.0 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF THE R.H. BALDOCK FREEWAY; THENCE SOUTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE 675.0 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 4, TUALATIN ORCHARD TRACT (PLAT [BOOK 6, PAGE 0022](#)), WASHINGTON COUNTY, OREGON; THENCE WESTERLY ALONG SAID NORTHERLY LINE AND ITS EXTENSION THEREOF 490.0 FEET TO THE SOUTHEAST CORNER OF PARCEL I AS DESCRIBED IN DEED TO JAMES KING & CO., AN OREGON CORPORATION, RECORDED APRIL 25, 1975 IN [VOLUME 1020, PAGE 0386](#), DEED RECORDS OF WASHINGTON COUNTY, OREGON; THENCE NORTH 0°14' EAST 330.0 FEET TO THE NORTHEAST CORNER OF SAID KING TRACT; THENCE SOUTH 89°53'45" WEST ALONG THE NORTHERLY LINE OF SAID KING TRACT 1380.12 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF STATE HIGHWAY 217 (SW BOONES FERRY ROAD); THENCE NORTHERLY ALONG THE EASTERLY RIGHT OF WAY LINE TO A POINT ON THE SOUTH LINE OF THAT TRACT OF LAND CONVEYED TO KENNETH L. FURROW, ET UX, RECORDED MARCH 25, 1970 IN [VOLUME 774, PAGE 0864](#), DEED RECORDS OF WASHINGTON COUNTY, OREGON; THENCE EAST 1280 FEET TO A POINT ON THE WEST LINE OF THAT TRACT OF LAND CONVEYED TO THE CITY OF TUALATIN, RECORDED JULY 12, 1971 IN [VOLUME 825, PAGE 0873](#), DEED RECORDS OF WASHINGTON COUNTY, OREGON (SAID POINT BEING 16.5 FEET SOUTH OF THE NORTHWEST CORNER OF SAID CITY OF TUALATIN TRACT); THENCE SOUTH ALONG SAID WEST LINE EXTENDED 660.0 FEET; THENCE EAST 16.5 FEET; THENCE NORTH 16.5 FEET TO THE POINT OF BEGINNING.

SAVE AND EXCEPT PARCELS A, B, C, & D AS FOLLOWS:

PARCEL A:

BEGINNING AT A POINT WHICH IS 295 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON; THENCE EAST 380 FEET TO A POINT; THENCE SOUTH 575 FEET TO A POINT; THENCE WEST TO A POINT IN THE CENTER OF SW BOONES FERRY ROAD (STATE HIGHWAY NO. 217); THENCE IN A NORTHERLY DIRECTION ALONG THE CENTER LINE OF SOUTHWEST

BOONES FERRY ROAD TO THE POINT OF BEGINNING.

PARCEL C:

A PORTION OF PARCEL I OF THOSE CERTAIN TRACTS OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, CONVEYED TO GRACE COMMUNITY CHURCH OF THE ASSEMBLIES OF GOD, INC., BY DEED RECORDED JUNE 12, 2001 AS FEE NO. [2001 055727](#), WASHINGTON COUNTY, OREGON, DEED RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF PARCEL II, SAID DOCUMENT RECORDED JUNE 12, 2001 AS FEE NO. [2001 055727](#), WHICH POINT BEARS NORTH 89°38'45" EAST 284.71 FEET FROM THE SOUTHWEST CORNER THEREOF, AND RUNNING THENCE ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID PARCEL II, NORTH 89°38'45" EAST 465.03 FEET; THENCE SOUTH 00°09'07" EAST 972.37 FEET TO A POINT ON THE NORTH LINE OF THAT CERTAIN TRACT OF LAND CONVEYED TO GRACE COMMUNITY CHURCH BY DEED RECORDED JANUARY 11, 2002 AS FEE NO. [2002 004397](#), SAID DEED RECORDS; THENCE SOUTH 89°36'05" WEST ALONG SAID NORTH LINE, 281.60 FEET; THENCE NORTH 00°00'00" EAST 452.22 FEET; THENCE NORTH 60°00'00" WEST 212.13 FEET; THENCE NORTH 00°05'57" WEST 98.50 FEET; THENCE NORTH 30°00'00" EAST 121.00 FEET; THENCE NORTH 00°00'00" EAST 101.39 FEET; THENCE NORTH 30°00'00" WEST 125.27 FEET TO THE POINT OF BEGINNING.

PARCEL D:

A PORTION OF PARCEL I OF THOSE CERTAIN TRACTS OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, CONVEYED TO GRACE COMMUNITY CHURCH OF THE ASSEMBLIES OF GOD, INC., BY DEED RECORDED JUNE 12, 2001 AS FEE NO. [2001 055727](#), WASHINGTON COUNTY, OREGON, DEED RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO GRACE COMMUNITY CHURCH BY DEED RECORDED JANUARY 11, 2002 AS FEE NO. [2002 004397](#), SAID DEED RECORDS, AND RUNNING THENCE ALONG THE BOUNDARY OF SAID PARCEL I, NORTH 89°34'49" EAST 485.62 FEET, NORTH 15°44'54" EAST 690.21 FEET, SOUTH 89°35'49" WEST 674.70 FEET, SOUTH 08°09'07" EAST 36.50 FEET, AND SOUTH 69°38'49" WEST 16.50 FEET; THENCE SOUTH 00°09'07" EAST 313.47 FEET TO A POINT ON THE NORTH LINE OF SAID DOCUMENT RECORDED JANUARY 11, 2002 AS FEE NO. [2002 004397](#); THENCE ALONG THE BOUNDARY THEREOF, NORTH 89°36'05" EAST 16.50 FEET AND SOUTH 00°08'37" EAST 313.16 FEET TO THE POINT OF BEGINNING.

PARCEL II:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, EAST 551 FEET FROM THE CENTER OF SAID SECTION 35; THENCE EAST ALONG THE ONE-QUARTER SECTION LINE 752.5 FEET; THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER 676.5 FEET TO A POINT; THENCE WEST PARALLEL TO THE NORTH LINE OF SAID SOUTHEAST ONE-QUARTER 752.5 FEET TO A POINT; THENCE NORTH PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER 676.5 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH A PORTION OF PARCEL I OF THOSE CERTAIN TRACTS OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, CONVEYED TO GRACE COMMUNITY CHURCH OF THE ASSEMBLIES OF GOD, INC., BY DEED RECORDED JUNE 12,

2001 AS FEE NO. [2001 055727](#), WASHINGTON COUNTY, OREGON, DEED RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF PARCEL II, SAID DOCUMENT RECORDED JUNE 12, 2001 AS FEE NO. [2001 055727](#), WHICH POINT BEARS NORTH 89°38'45" EAST 284.71 FEET FROM THE SOUTHWEST CORNER THEREOF, AND RUNNING THENCE ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID PARCEL II, NORTH 89°38'45" EAST 465.03 FEET; THENCE SOUTH 00°09'07" EAST 972.37 FEET TO A POINT ON THE NORTH LINE OF THAT CERTAIN TRACT OF LAND CONVEYED TO GRACE COMMUNITY CHURCH BY DEED RECORDED JANUARY 11, 2002 AS FEE NO. [2002 004397](#), SAID DEED RECORDS; THENCE SOUTH 89°36'05" WEST ALONG SAID NORTH LINE, 281.60 FEET; THENCE NORTH 00°00'00" EAST 452.22 FEET; THENCE NORTH 60°00'00" WEST 212.13 FEET; THENCE NORTH 00°05'57" WEST 98.50 FEET; THENCE NORTH 30°00'00" EAST 121.00 FEET; THENCE NORTH 00°00'00" EAST 101.39 FEET; THENCE NORTH 30°00'00" WEST 125.27 FEET TO THE POINT OF BEGINNING.

PARCEL III:

BEGINNING AT A POINT WHICH IS 295 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST, OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON; THENCE EAST 740 FEET TO A POINT; THENCE SOUTH 625 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 625 FEET TO A POINT; THENCE WEST 360 FEET TO A POINT; THENCE SOUTH 575 FEET TO A POINT; THENCE WEST TO A POINT IN THE CENTER OF SOUTHWEST BOONES FERRY ROAD (STATE HIGHWAY NO. 217); THENCE IN A SOUTHERLY DIRECTION TO THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO GEORGE H. ANDREWS BY BARGAIN AND SALE DEED, RECORDED APRIL 25, 1975, IN [VOLUME 1020, PAGE 0383](#), RECORDS OF WASHINGTON COUNTY, OREGON; THENCE EAST ALONG THE NORTH LINE OF THE SAID ANDREWS TRACT TO THE POINT OF BEGINNING.

PARCEL IV:

A TRACT OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, 294 FEET EAST OF AN IRON BAR MARKING THE CENTER OF SAID SECTION; THENCE EAST ALONG SAID NORTH LINE, 257 FEET TO A POINT; THENCE SOUTH PARALLEL TO THE WEST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 35, A DISTANCE OF 660 FEET TO A POINT; THENCE WEST PARALLEL TO THE NORTH LINE OF SAID SOUTHEAST ONE-QUARTER OF SECTION 35, A DISTANCE OF 257 FEET; THENCE NORTH PARALLEL TO THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER 660 FEET TO THE POINT OF BEGINNING.

ALSO, THAT PORTION OF THOSE CERTAIN LANDS DESCRIBED OF RECORD IN [VOLUME 731, PAGE 0454](#), LYING SOUTH OF, ALONG AND WITHIN 16-1/2 FEET OF THE SOUTH BOUNDARY OF THE TRACT ABOVE DESCRIBED.

EXCEPTING THEREFROM THE FOLLOWING:

A TRACT OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF WASHINGTON AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH ROD AND CAP ON THE CENTER LINE OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF TUALATIN, COUNTY OF

WASHINGTON AND STATE OF OREGON, SITUATED NORTH 89°41'41" EAST, 379.00 FEET FROM THE MONUMENT MARKING THE CENTER OF SAID SECTION 35; THENCE NORTH 89°41'41" EAST, 172.00 FEET TO A 5/8 INCH ROD AND CAP; THENCE SOUTH 0°05'16" EAST, 262.00 FEET PARALLEL WITH THE WEST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 35 TO A 5/8 INCH ROD AND CAP; THENCE SOUTH 89°41'41" WEST, 110.00 FEET TO A 5/8 INCH ROD AND CAP; THENCE NORTH 53°03'41" WEST, 77.67 FEET TO A 5/8 INCH ROD AND CAP; THENCE NORTH 0°05'16" WEST 215.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED TO WILLIAM GORDON MOORE RECORDED AUGUST 03, 1972 IN [VOLUME 880, PAGE 0735](#), RECORDS OF WASHINGTON COUNTY, OREGON.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED IN DEED OF DEDICATION, RECORDED MARCH 23, 2023 AS FEE NO. [2023 011722](#), WASHINGTON COUNTY, OREGON.

NOTE: This Legal Description was created prior to January 01, 2008.

Map No.: 2S135D000108 and 2S135D000106
Tax Account No.: R560226 and R560208

EXHIBIT "B"
(Vesting)

Norwood Horizon Holdings, LLC, a Delaware limited liability company as to Parcel 1 and Horizon
Community Church, an Oregon nonprofit corporation as to Parcel 2

EXHIBIT "C"
(Liens and Encumbrances)

1. Taxes for the year 2023-2024
Tax Amount \$ 5,878.94
Unpaid Balance: \$ 5,878.94 , plus interest and penalties, if any
Code No.: 088.15
Map & Tax Lot No.: 2S135D000108
Property ID No.: R560226

(Affects Parcel 1)

2. Taxes for the year 2023-2024
Tax Amount \$ 6,263.66
Unpaid Balance: \$ 6,263.66 , plus interest and penalties, if any
Code No.: 088.15
Map & Tax Lot No.: 2S135D000106
Property ID No.: R560208

(Affects Assessable portion of Parcel 2)

The following Exceptions Affects Parcel 1:

3. City liens, if any, of the City of Tualatin.
4. Statutory powers and assessments of Clean Water Services.
5. Deed of Trust and the terms and condition thereof.
Grantor/Trustor: Norwood Horizon Holdings LLC, a Delaware limited liability company
Grantee/Beneficiary: Hayman Holdings, LLC, an Oregon limited liability company
Trustee: First American Title Insurance Company
Amount: \$1,303,000.00
Recorded: October 10, 2023
Recording Information: Fee No. [2023 042147](#)

The following Exceptions Affects Assessable portion of Parcel 2:

6. Taxes, including the current fiscal year, not assessed because of RX: Owned by Religious Organization (ORS 307.140) Exemption. If the exempt status is terminated an additional tax may be levied. Account No. R560208.
(Affects Assessable portion)
7. City liens, if any, of the City of Tualatin.
8. Statutory powers and assessments of Clean Water Services.

9. Easement, including terms and provisions contained therein:
Recording Information: August 14, 1948 as [Volume 288, Page 14](#)
In Favor of: The Pacific Telephone and Telegraph Company, a California corporation
For: pole line and anchor and incidental purposes
Affects: as described therein

10. Abutter's rights of ingress and egress to or from State Highway have been relinquished in the document recorded October 11, 1951 as [Volume 325, Page 0577](#).

11. Restrictive Covenant to Waive Remonstrance, pertaining to Customarily (commonly) Accepted Farm or Forestry Practices including the terms and provisions thereof
Recorded: July 07, 2003 as Fee No. [2003 110030](#)

12. Easement, including terms and provisions contained therein:
Recording Information: July 09, 2003 as [2003 111268](#)
In Favor of: Washington County, a political subdivision of the State of Oregon
For: Right-of-Way and incidental purposes
Affects: as described therein

13. Restrictive Covenant to Waive Remonstrance, pertaining to Motor Vehicle Access including the terms and provisions thereof
Recorded: July 09, 2003 as Fee No. [2003 111269](#)

14. Deed of Trust and assignment of rents.
Grantor/Trustor: Horizon Community Church, an Oregon nonprofit corporation
Grantee/Beneficiary: Church Extension Plan, an Oregon nonprofit corporation
Trustee: Ticor Title Insurance Company
Amount: \$10,271,041.00
Recorded: May 23, 2022
Recording Information: Fee No. [2022-034444](#)

Note: This Deed of Trust contains Line of Credit privileges. If the current balance owing on said obligation is to be paid in full in the forthcoming transaction, confirmation should be made that the beneficiary will issue a proper request for full reconveyance.

DEFINITIONS, CONDITIONS AND STIPULATIONS

1. **Definitions.** The following terms have the stated meaning when used in this report:
 - (a) "Customer": The person or persons named or shown as the addressee of this report.
 - (b) "Effective Date": The effective date stated in this report.
 - (c) "Land": The land specifically described in this report and improvements affixed thereto which by law constitute real property.
 - (d) "Public Records": Those records which by the laws of the state of Oregon impart constructive notice of matters relating to the Land.

2. **Liability of the Company.**
 - (a) THIS REPORT IS NOT AN INSURED PRODUCT OR SERVICE OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY. IT IS NOT AN ABSTRACT, LEGAL OPINION, OPINION OF TITLE, TITLE INSURANCE COMMITMENT OR PRELIMINARY REPORT, OR ANY FORM OF TITLE INSURANCE OR GUARANTY. THIS REPORT IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR, AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON. THIS REPORT MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST AMERICAN'S PRIOR WRITTEN CONSENT. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND THE INFORMATION HEREIN IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AS-IS, AND WITH ALL FAULTS. AS A MATERIAL PART OF THE CONSIDERATION GIVEN IN EXCHANGE FOR THE ISSUANCE OF THIS REPORT, RECIPIENT AGREES THAT FIRST AMERICAN'S SOLE LIABILITY FOR ANY LOSS OR DAMAGE CAUSED BY AN ERROR OR OMISSION DUE TO INACCURATE INFORMATION OR NEGLIGENCE IN PREPARING THIS REPORT SHALL BE LIMITED TO THE FEE CHARGED FOR THE REPORT. RECIPIENT ACCEPTS THIS REPORT WITH THIS LIMITATION AND AGREES THAT FIRST AMERICAN WOULD NOT HAVE ISSUED THIS REPORT BUT FOR THE LIMITATION OF LIABILITY DESCRIBED ABOVE. FIRST AMERICAN MAKES NO REPRESENTATION OR WARRANTY AS TO THE LEGALITY OR PROPRIETY OF RECIPIENT'S USE OF THE INFORMATION HEREIN.
 - (b) No costs (including, without limitation attorney fees and other expenses) of defense, or prosecution of any action, is afforded to the Customer.
 - (c) In any event, the Company assumes no liability for loss or damage by reason of the following:
 - (1) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records.
 - (2) Any facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
 - (3) Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.
 - (4) Discrepancies, encroachments, shortage in area, conflicts in boundary lines or any other facts which a survey would disclose.
 - (5) (i) Unpatented mining claims; (ii) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (iii) water rights or claims or title to water.
 - (6) Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in this report, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
 - (7) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment on the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at the effective date hereof.
 - (8) Any governmental police power not excluded by 2(d)(7) above, except to the extent that notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at the effective date hereof.
 - (9) Defects, liens, encumbrances, adverse claims or other matters created, suffered, assumed, agreed to or actually known by the Customer.

3. **Charge.** The charge for this report does not include supplemental reports, updates or other additional services of the Company.



First American Title[™]

First American Title Insurance Company
1 SW Columbia Street, Ste 1600
Portland, OR 97204

Illegal Restrictive Covenants

Please be advised that any provision contained in this document, or in a document that is attached, linked, or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.