IN THE CIRCUIT COURT FOR THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

CARL CADONAU III, an individual; TRACEY CADONAU MCKINNON, an individual; and CARY CADONAU, an individual; Plaintiffs, v. BARBARA DEEMING, an individual; ANITA CADONAU-HUSEBY, an individual; CADONAU FAMILY MANAGEMENT TRUST; CADONAU CHARTER LIMITED PARTNERSHIP, and all other persons of interest in the Cadonau Charter Limited Partnership, Defendants.	**Case No.** **COMPLAINT (DECLARATORY RELIEF, BREACH OF CONTRACT)** **JURY TRIAL REQUESTED** **CLAIM NOT SUBJECT TO MANDATORY ARBITRATION** **Prayer Amount: Amount in controversy no less than $35,000,000.00** **Filing Fee: $1,111.00** **Fee Authority: ORS 21.160(1)(e)**

Carl Cadonau III, Tracey Cadonau McKinnon, and Cary Cadonau (collectively "Plaintiffs") allege as follows:

I. INTRODUCTION

1.

This action is brought to stop the destruction of Alpenrose Dairy ("Alpenrose") and the land upon which Alpenrose sits ("Dairy Community Land"). As detailed herein, Defendants Barbara Deeming ("Deeming") and Anita Cadonau-Huseby ("Huseby") are disregarding the spirit and intent of the Cadonau Legacy Plan (defined below), which prevents the liquidation of Alpenrose, in order to line their own pockets with millions of dollars to the detriment of Plaintiffs,

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the community, and others with an interest in Alpenrose and the Dairy Community Land. Plaintiffs seek to prevent the liquidation and end of Alpenrose, and in turn the destruction of the community events held on the Dairy Community Land and the livelihoods of over 150 Alpenrose employees and their families. Plaintiffs also seek to preserve their family's legacy which has centered around Alpenrose and the Dairy Community Land for over 100 years.

2.

In 1891, the Cadonau family first began their dairy operations in Multnomah County, Oregon when Plaintiffs' great-great grandfather, Florian Cadonau, owned and operated a dairy farm near the current Alpenrose facility. In 1916, Plaintiffs' great grandparents, Henry and Rosina Cadonau, took ownership of the business and named it Alpenrose Dairy as a tribute to Florian Cadonau and their Swiss ancestry. Today, Alpenrose is much more than a business. Alpenrose and the 52 acres where it conducts its dairy operations have become a fixture in Portland. It was always the intention of the Cadonaus to preserve and provide a community presence while providing for their family. The Cadonau family's estate planning and corporate governance documents (collectively referred to as the "Cadonau Legacy Plan[1]"), were intentionally drafted to preserve Alpenrose's legacy as family-run and community-centric. Central to the Cadonau Legacy Plan was the intent that the Cadonau family would work together, as a family, to be stewards of a business committed to preserving the legacy of Alpenrose, and the community around it.

3.

For over 125 years, six generations of the Cadonau family, which now includes Plaintiffs' children, have worked together to preserve Alpenrose's legacy of giving back to the community. The Cadonau family has always opened the 52 acres where Alpenrose operates, and the Dairy Community Land is located, to the community. For nearly 60 years, Alpenrose has hosted an

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[1] The Cadonau Legacy Plan includes: (a) Alpenrose corporate governance documents; (b) Alfa Shattuck, LLC corporate governance documents; (c) Alfa, LLC corporate governance documents; (d) Cadonau-Charter Limited Partnership documents; (e) Cadonau Family Master Trust documents; and (f) Cadonau Master Heritage Trust documents.

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annual Easter Egg Hunt and an annual Christmas celebration at Dairyville, a replica frontier town located on the Dairy Community Land. The Dairy Community Land is also home to Storybook Lane, a nursery-rhyme-themed village in Dairyville, as well as a 600-seat opera house which is used by schools, clubs and non-profit organizations throughout the year, and which has nightly screenings of family-friendly films during Christmas in Dairyville. Alpenrose Field (comprised of three ball diamonds) hosts spring, summer and fall baseball and softball games, and for over 25 years has been the host of the Little League Softball World Series. Circuit d'Alpenrose, one of only 20 velodrome tracks in the United States and one of the steepest, draws one of the largest velodrome crowds in North America for the annual Alpenrose Challenge, under the long-standing stewardship of the Oregon Bicycle Racing Association and the thousands of its committed members. The Dairy Community Land also contains a quarter-midget race car track where youth regional and national competitions are held under the governance and caretaking of the Portland Quarter Midget Racing Association. Alpenrose's 4-H Discovery Farm, which is used by 4-H, is located on the Dairy Community Land and provides local children with hands-on experience in animal husbandry and gardening. All events hosted by Alpenrose on the Dairy Community Land are open to the public pursuant to the spirit of the Cadonau family legacy and the intent behind Alpenrose's creation and mission.

4.

As a result of the Cadonau family's commitment to preserving Alpenrose for the betterment of the community, Alpenrose and the Dairy Community Land have positively impacted countless Oregonians' lives. As stated in an article titled "100 Years of History at Alpenrose Dairy" located on The Oregonian's website, Oregonlive.com, Alpenrose "has taken on much more meaning to Portlanders than its products" and the Cadonau family predecessors were "community patrons" who "slowly turned the dairy into a community hub."

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5.

Despite the long-standing history and the clear intent of the Cadonau family's predecessors, as seen through the Cadonau Legacy Plan, the existence of Alpenrose and the Dairy Community Land, along with all of the traditions, sporting events, community activities and general public access, are in imminent threat of being extinguished due to Defendants' conduct.

6.

Specifically, Barbara Deeming and Anita Cadonau-Huseby are committed to liquidating Alpenrose and the Dairy Community Land. Such liquidation would directly financially benefit Deeming and Huseby to the detriment of the community and other members of the Cadonau family, including Plaintiffs.

II. PARTIES

7.

Plaintiff Carl Cadonau III ("Carl") is a resident of Multnomah County, Oregon and is the brother of co-plaintiffs Cary Cadonau and Tracey Cadonau McKinnon. Carl has worked at Alpenrose for nearly three decades and is presently Alpenrose's Vice President of Operations. As detailed below, Carl also holds an ownership interest in Alpenrose and in the Dairy Community Land.

8.

Plaintiff Tracey Cadonau McKinnon ("Tracey") is a resident of Washington County, Oregon and is the sister of co-plaintiffs Carl Cadonau III, and Cary Cadonau. Through her role as Alpenrose's Communications and Events Director, Tracey manages all community events hosted by Alpenrose on the Dairy Community Land as well as the hundreds of people who volunteer at those events each year. Tracey's husband, Bryce McKinnon, is the General Manager of Alpenrose. As detailed below, Tracey also holds an ownership interest in Alpenrose and in the Dairy Community Land.

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9.

Plaintiff Cary Cadonau ("Cary") is a resident of Washington County, Oregon, and is the brother of co-plaintiffs Carl Cadonau III, and Tracey Cadonau McKinnon. Cary worked at Alpenrose each summer from his childhood through college and has volunteered for years at Alpenrose's annual holiday events. As detailed below, Cary also holds an ownership interest in Alpenrose and in the Dairy Community Land.

10.

At all times material herein, Barbara Deeming was a resident of Washington County, Oregon.

11.

At all times material herein, Anita Cadonau-Huseby was a resident of Contra Costa County, California.

12.

The Cadonau Family Management Trust ("CFMT") is a trust in which Deeming and Huseby are managing co-trustees, and, through collaboration with one another, are exercising control as the general partner of the Cadonau-Charter Limited Partnership ("CCLP"), which as detailed below, holds an interest in Alpenrose and the Dairy Community Land. Through CFMT and CCLP, Deeming and Huseby are attempting to liquidate Alpenrose and the Dairy Community Land.

III. FACTS

13.

Alpenrose is comprised of the descendants of Florian Cadonau: Deeming, Huseby, Wendell Birkland, Rod Birkland, and Carl Cadonau, Jr. For years, Alpenrose has leased from Alfa Shattuck, LLC ("Alfa Shattuck") the 52 acres that comprise the dairy operations and the Dairy Community Land in order to provide the community with the benefits detailed herein (the "Lease"). The current Lease operates through 2039. Attached hereto as **Exhibit A** is a true and

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accurate copy of Alfa Shattuck, LLC's Restated Operating Agreement. Attached hereto as **Exhibit B** is a true and accurate copy of the Lease.

14.

Alfa Shattuck's sole member is Alfa, LLC ("Alfa"). Alfa's members are comprised of CCLP and Deeming, Huseby, Wendell Birkland, Rod Birkland, and Carl Cadonau, Jr. in their individual capacities. Deeming and Huseby each own an individual unrestricted 12.5% interest in Alfa. Attached hereto as **Exhibit C** is a true and accurate copy of Alfa, LLC's Operating Agreement.

15.

The late Carl Cadonau, Sr. ("Carl Sr.") is the father of Deeming, Huseby, Randall Cadonau (deceased) and Carl Cadonau, Jr. (who is Plaintiffs' father). True to Carl Sr.'s predecessors' intent to keep Alpenrose and the Dairy Community Land operated by the Cadonau family for the benefit of the community, Carl Sr. implemented the Cadonau Legacy Plan to ensure that upon his death, Alpenrose and the Dairy Community Land would not be liquidated by future descendants who might lose sight of or have differing opinions concerning the Cadonau family's legacy intertwining with Alpenrose, the Dairy Community Land, and the local community.

16.

As part of the Cadonau Legacy Plan, Carl Sr. created corporate governance in Alpenrose that would work concurrent with various estate planning tools to prohibit any potential future liquidation of Alpenrose and the Dairy Community Land. Attached hereto as **Exhibit D** is a true and accurate copy of the Bylaws of Alpenrose Company, Inc. ("Alpenrose's Bylaws") and attached hereto as **Exhibit E** is a true and accurate copy of the Buy-Sell Agreement of Alpenrose Company, Inc. ("Alpenrose's Buy-Sell Agreement").

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17.

Pursuant to Alpenrose's Bylaws and Alpenrose's Buy-Sell Agreement, the Cadonau family owns 50% of Alpenrose stock through CCLP. The other half is owned by Rod and Wendell Birkland and their children.

18.

Pursuant to Alpenrose's Bylaws and Alpenrose's Buy-Sell Agreement, Alpenrose has a five-member board of directors composed of Wendell Birkland, Rod Birkland, Carl Cadonau, Jr., Deeming, and Huseby (the "Alpenrose Board"). In furtherance of the Cadonau Legacy Plan, Section 3.1.1 of Alpenrose's Bylaws provides that in order for Alpenrose to sell substantially all of its assets, the Alpenrose Board and 75% of Alpenrose shareholders must affirmatively vote to approve such a sale. Accordingly, because CCLP is a 50% owner of Alpenrose stock, no Alpenrose liquidation event can occur unless CCLP affirmatively votes in favor of such liquidation.

19.

When Carl Sr. formed CCLP in 1992, he did so with the intention of providing equally for each of his children (Carl Jr., Deeming, Huseby, and the late Randall Cadonau) *and* retaining the Alpenrose legacy fostered by him and the prior generations. In essence, each of Carl Sr.'s children would control 25% of the limited partnership units in CCLP. Upon the death of Carl Sr.'s children, these units will pass down to lineal descendants, and, if no such descendants exist at such time, the units must be transferred to the remaining living Cadonau family members. Attached hereto as **Exhibit F** is a true and accurate copy of CCLP's controlling partnership documents ("CCLP's Partnership Documents").

20.

The sole assets of CCLP are 50% of Alpenrose stock and 11.84% of the Dairy Community Land. Pursuant to CCLP's Partnership Documents, CCLP contains 100 units and in order for CCLP to sell substantially all of its assets, at *least* 85 units must vote in favor of such liquidation.

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21.

The Cadonau Family Master Trust ("CFMT") holds 1.383405 units of CCLP and is CCLP's general partner. Attached hereto as **Exhibit G** is a true and accurate copy of CFMT's controlling partnership documents.

22.

CCLP's limited partners own the remaining 98.616595 units of CCLP. Schedule 1, located on page 6 of **Exhibit F**, details the allocation of the units held by CCLP's limited partners. Schedule 1 provides that each Plaintiff owns 5.052647 units of CCLP. Consequently, Plaintiffs collectively hold 15.157941 units of CCLP.

23.

CFMT, as CCLP's general partner, is charged with management of CCLP and its holdings. CFMT has three managing co-trustees: Deeming, Huseby, and Carl Cadonau, Jr. Upon the death of any of these three managing co-trustees, any replacement trustee must be a Cadonau lineal descendant.

24.

Since October 2016, Deeming and Huseby (as the controlling managing trustees of CFMT) have exercised majority control over CFMT and have in turn effectively acted as the general partner of CCLP.

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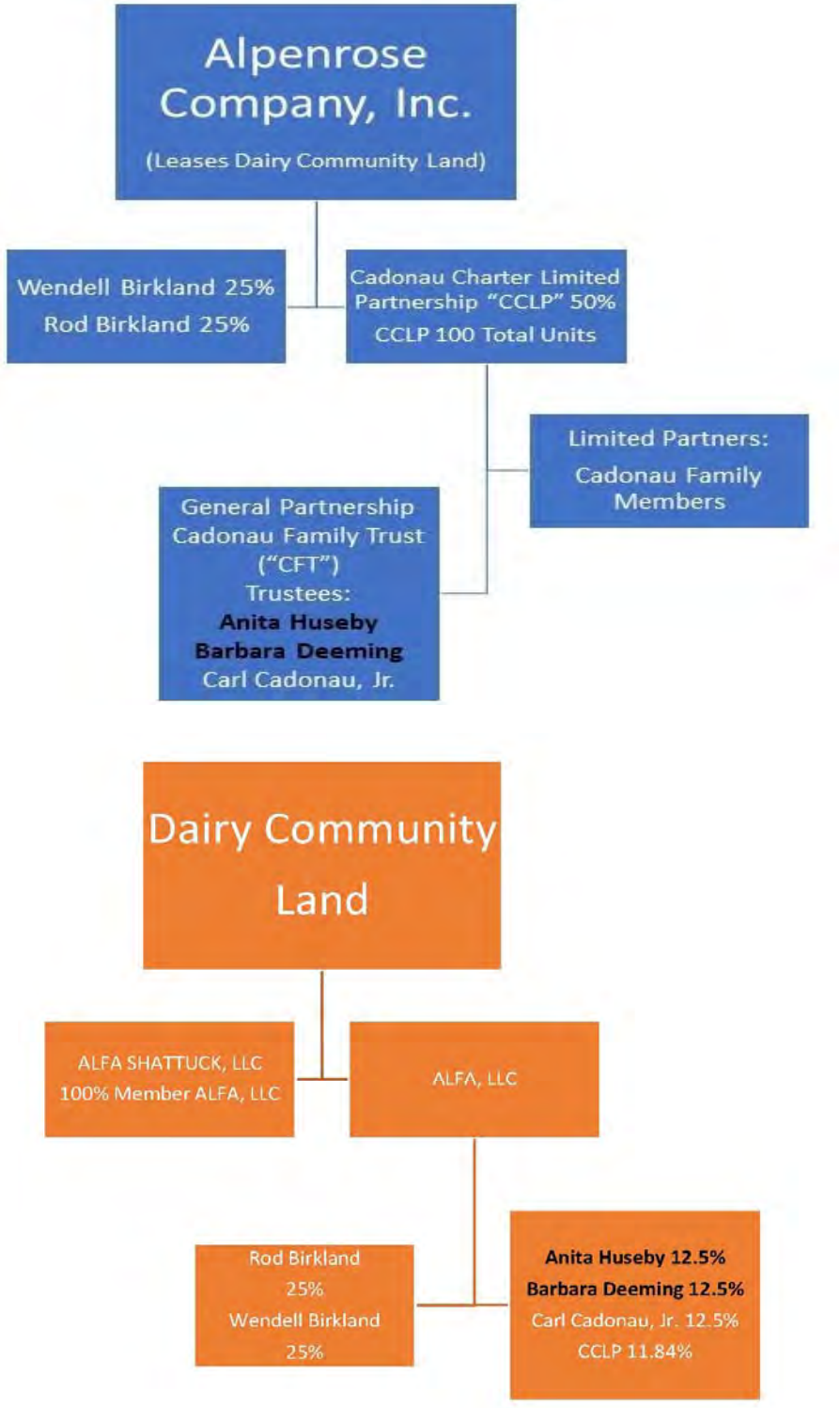
25.

Corporate visual organization charts are reproduced herein for ease of reference and are consistent with the allegations provided above:



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26.

In October 2016, Deeming and Huseby appointed themselves, along with Carl Jr., as co-trustees of CFMT. Up to that point, Carl Jr. had been the sole trustee of CFMT. Deeming and Huseby appointed themselves as co-Trustees of CFMT because they have a plan: They want to sell the Dairy Community Land because they stand to gain substantial sums of money in their individual capacities separate from, and in addition to, the money they would realize as partners of CCLP.

27.

In short, Deeming and Huseby desire to liquidate Alpenrose in a fashion that immediately terminates Alpenrose's Lease of the Dairy Community Land so that they are able to sell the Dairy Community Land without restriction from Alpenrose's continued operations. In other words, Deeming and Huseby continue to make decisions motivated by their individual monetary interests in Alpenrose and the Dairy Community Land instead of honoring and fulfilling their fiduciary and contractual obligations that they owe as CFMT trustees to the limited partners of CCLP.

28.

Through Deeming's and Huseby's collaboration as controlling partner of CCLP, they refuse to participate in any plan that would result in the improvement of Alpenrose or the continuation of Alpenrose, the Dairy Community Land and the Cadonau family legacy. Rather, Deeming and Huseby continue to persistently push for the liquidation or sale of Alpenrose.

29.

Deeming and Huseby know that if they force a sale of Alpenrose with the express requirement that any buyer of Alpenrose cease dairy operations on the Dairy Community Land, they would be in a position to cash in on their individual ownership interests in the Dairy Community Land by selling the land for development.

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30.

Deeming and Huseby are attempting to execute on their plan by agreeing to sell the assets of Alpenrose to a third-party buyer that is not affiliated with the Cadonau or Birkland families (the "Third-Party Buyer" and "Third-Party Buyer Transaction"). Upon information and belief, Deeming and Huseby have used their newfound positions as co-trustees of CFMT to orchestrate a sale of Alpenrose to the Third-Party Buyer because of that buyer's intention to only operate Alpenrose for one to two more years. Additionally, upon information and belief, Deeming and Huseby will not allow any public access or community events to take place on the Dairy Community Land following their intended sale to the Third-Party Buyer which is slated to close within a matter of weeks; that is because Deeming and Huseby intend to prepare the Dairy Community Land for sale if their scheme is realized. The Third-Party Buyer Transaction and the sale of the Dairy Community Land shall be collectively referred to as the "Deeming/Huseby Liquidation Plan." Upon information and belief, Deeming and Huseby believe the assets subject to the Deeming/Huseby Liquidation Plan are in excess of $35,000,000.

31.

The Deeming/Huseby Liquidation Plan has not been approved by CCLP. Additionally, Plaintiffs, who are holders of more than 15 CCLP units, do not agree with the Deeming/Huseby Liquidation Plan. In addition, there is at least one other CCLP unit holder who also does not agree to the Deeming/Huseby Liquidation Plan; namely, Plaintiffs' father, Carl Jr., who has refused to sign on to the Third-Party Buyer Transaction.

32.

Accordingly, approval of the Deeming/Huseby Liquidation Plan by CCLP is an impossibility because Deeming and Huseby do not have the requisite 85 CCLP units to implement that plan.

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33.

Deeming and Huseby intend to destroy legacy, community and an historical family business for their own material financial benefit. Even if the Deeming/Huseby Liquidation Plan does not succeed, Deeming's and Huseby's conduct demonstrates that they will continue to act in disregard of CCLP unit owners' interests and opinions, as well as the Cadonau Legacy Plan, and attempt to liquidate all CCLP assets for their personal benefit.

34.

Because of Deeming's and Huseby's reckless disregard for their duties and obligations owed to CCLP, as evidenced by their intent to line their own pockets pursuant to the Deeming/Huseby Liquidation Plan, Plaintiffs seek to ensure that CCLP is managed with an intention to operate Alpenrose and the Dairy Community Land as a going concern and consistent with the Cadonau Legacy Plan.

35.

In addition to displaying a reckless disregard for their duties and obligations owed to CCLP, Deeming and Huseby have also failed to implement or otherwise consider improvements to Alpenrose that would provide a continuity and benefit to CCLP, and also ensure the continued legacy of Alpenrose and the Dairy Community Land.

IV. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

(Declaratory Relief)

36.

Plaintiffs re-allege all preceding paragraphs.

37.

An actual, present controversy has arisen and now exists between Plaintiffs and Defendants concerning the general and limited partners' respective rights and obligations under CCLP, including the voting rights and thresholds necessary to approve the Deeming/Huseby Liquidation

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Plan and/or any other similar plan, action or proposal that falls within Article 16(10) of CCLP's Partnership Documents.[2]

38.

Accordingly, Plaintiffs seek a declaration that:

(a) Under CCLP's Partnership Documents, **Exhibit F**, and specifically CCLP's Articles of Limited Partnership, Defendants cannot unilaterally approve the Deeming/Huseby Liquidation Plan or take any other action that results in the sale of CCLP's 50% shareholder interest in Alpenrose stock and 11.84% of the Dairy Community Land, or any other action that results in the cessation of the business of CCLP;

(b) Under CCLP's Partnership Documents, **Exhibit F**, and specifically CCLP's Articles of Limited Partnership, Defendants must duly notice, schedule and hold a meeting, among the general and limited partners, and allow a vote to occur and be recorded on the Deeming/Huseby Liquidation Plan;

(c) Under CCLP's Partnership Documents, **Exhibit F**, and specifically CCLP's Articles of Limited Partnership, in the absence of an affirmative vote of at least 85% of the limited partnership units, Defendants cannot approve the Deeming/Huseby Liquidation Plan or take any other action that results in the sale of CCLP's 50% shareholder interest in Alpenrose stock and 11.84% of the Dairy Community Land, or any other action that results in the cessation of the business of CCLP; and

(d) With Plaintiffs' objections against the Deeming/Huseby Liquidation Plan, CCLP cannot exercise its 50% shareholder interest in Alpenrose stock to

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[2] Article 16 of CCLP's Partnership Documents, entitled MANAGEMENT, SERVICE OF A GENERAL PARTNER, provides: "(10) *Liquidating Sale of Partnership Assets.* **A general partner may not**, prior to the actual termination of the partnership, **sell substantially all of the partnership's investment assets in liquidation or cessation of business without having affirmative consent of at least 85 percent in interest of all partners**." **Exhibit F**.

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approve, vote in favor of or close on the Third-Party Buyer Transaction or any other sale to which Plaintiffs object in their capacity as limited partners of CCLP; and further, that any such purported sale shall be deemed void *ab initio*.

39.

The Court should issue such other ancillary and equitable relief, including provisional process and a preliminary injunction, to maintain the status quo and CCLP's assets, holdings, and interests during the pendency of this litigation.

SECOND CLAIM FOR RELIEF

(Breach of Contract -- Articles of Limited Partnership)

40.

Plaintiffs re-allege all preceding paragraphs.

41.

Plaintiffs have performed all conditions precedent under CCLP.

42.

Defendants Deeming, Huseby and CFMT are in material breach of their responsibilities, obligations and duties owed to CCLP, including the fiduciary duty of good faith and fair dealing, in the following ways: i) they approved a plan to sell substantially all the assets of CCLP without conducting a vote of all partners necessary to authorize the same; ii) they concealed or otherwise failed to provide the limited partners with notice of their intention to sell substantially all the assets of CCLP; iii) they failed to notify CCLP of their personal financial conflict of interest and otherwise remove themselves from management of CCLP on the basis of such conflict; iv) they failed to duly notice, schedule and hold a meeting, among the general and limited partners, and allow Plaintiffs to cast their votes on the Deeming/Huseby Liquidation Plan; and v) they acted against the best interests of CCLP and refused to operate CCLP's assets as a going concern.

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43.

Plaintiffs have no adequate remedy at law and are entitled to specific performance by defendants Deeming, Huseby and CFMT of its responsibilities, obligations and duties owed under CCLP's Partnership Documents, including CCLP's Articles of Limited Partnership, as alleged above.

44.

The Court should issue such other ancillary and equitable relief, including provisional process and a preliminary injunction, to maintain the status quo and preserve CCLP's assets, holdings and interests during the pendency of this litigation.

WHEREFORE, Plaintiffs pray for judgment in their favor against Defendants as follows:

1. That the Court grant an order for ancillary and equitable relief, including provisional process and a preliminary injunction, to maintain the status quo and preserve CCLP's assets, holdings and interests during the pendency of this litigation;
2. Declaratory relief providing that:
    a. Defendants cannot unilaterally approve the Deeming/Huseby Liquidation Plan or take any other action that results in the sale of CCLP's 50% shareholder interest in Alpenrose stock and 11.84% of the Dairy Community Land, or any other action that results in the cessation of the business of CCLP;
    b. Defendants must duly notice, schedule and hold a meeting, among the general and limited partners, and allow a vote to occur and be recorded on the Deeming/Huseby Liquidation Plan;
    c. Defendants cannot approve the Deeming/Huseby Liquidation Plan or take any other action that results in the sale of CCLP's 50% shareholder interest

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in Alpenrose stock and 11.84% of the Dairy Community Land, or any other action that results in the cessation of the business of the CCLP without the affirmative vote of at least 85% of the limited partnership units; and

d. With Plaintiffs' objections against the Deeming/Huseby Liquidation Plan, CCLP cannot exercise its 50% shareholder interest in Alpenrose stock to approve, vote in favor of or close on the Third-Party Buyer Transaction or any other sale to which Plaintiffs object in their capacity as limited partners of CCLP, and, further, decreeing that any such purported sale shall be deemed void *ab initio*;

3. That the Court grant an order and judgment awarding Plaintiffs specific performance by CFMT of its responsibilities, obligations and duties owed under CCLP's Partnership Documents, including CCLP's Articles of Limited Partnership;
4. For an award of their damages as determined at trial;
5. For an award of their reasonable expenses and costs;
6. Pre-judgment and post-judgment interest; and
7. Such further or additional relief as this Court may deem just and proper.

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Plaintiffs reserve the right to elect a remedy or seek alternative remedies as this case progresses. Plaintiffs further reserve the right amend their complaint to seek punitive damages due to the egregious nature of Deeming's and Huseby's conduct.

DATED this 4th day of March, 2019.

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RESTATED OPERATING AGREEMENT OF
ALFA SHATTUCK, LLC

THIS RESTATED OPERATING AGREEMENT OF ALFA SHATTUCK, LLC, a limited liability company organized pursuant to the Act, is entered into and shall be effective as of the Effective Date, by and between the Company and ALFA, LLC, its sole Member, and Carl H. Cadonau, Jr. and Roderick Carl Birkland, its Managers.

ARTICLE I. FORMATION

1.1 ***Organization.*** The Company was organized as an Oregon limited liability company pursuant to the provisions of the Act under the name Alpenrose Farm II, L.L.C. on January 11, 2001. This Agreement supersedes all previous operating agreements of the Company. The Member hereby confirms that it has appointed Carl H. Cadonau, Jr. and Roderick Carl Birkland as Managers of the Company.

1.2 **Agreement; Effect of Inconsistencies With Act.** For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Member, the Managers and the Company hereby agree to the terms and conditions of this Agreement, as it may from time to time be amended according to its terms. It is the express intention of the parties that this Agreement shall be the sole source of agreement of the parties, and this Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. To the extent any provision of this Agreement is prohibited or ineffective under the Act, this Agreement shall be considered amended to the smallest degree possible in order to make the agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of this Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment. The Member and Managers shall be entitled to rely on the provisions of this Agreement, and the Member and Managers shall be not liable to the Company for any action or refusal to act taken in good faith reliance on the terms of this Agreement. The Member and the Company hereby agree that the duties and obligations imposed on the Member and Managers as such shall be those set forth in this Agreement, which is intended to govern the relationship between the Company, the Managers, and the Member, notwithstanding any provision of the Act or common law to the contrary.

1.3 **Name.** The name of the Company is ALFA SHATTUCK, LLC, and all business of the Company shall be conducted under that name or under any other name, but in any case, only to the extent permitted by applicable law.

1.4 **Effective Date.** This Agreement shall become effective on October 10, 2014.

1.5 **Term.** The term of the Company shall be perpetual until dissolved and its affairs wound up in accordance with the Act or this Agreement.

1.6 **Registered Agent and Office.** The registered agent for the service of process and the registered office shall be that Person and location reflected in the Articles as filed in the office of the Secretary of State. The Managers may, from time to time, change the registered agent or office through appropriate filings with the Secretary of State. In the event the registered

agent ceases to act as such for any reason or the registered office shall change, the Managers shall promptly designate a replacement registered agent or file a notice of change of address as the case may be. If the Manager shall fail to designate a replacement registered agent or change of address of the registered office, any Member may designate a replacement-registered agent or file a notice of change of address.

1.7 **Principal Office.** The Principal Office of the Company shall be located at the address reflected in the Articles as filed in the office of the Secretary of State. The Managers, may, from time to time, change the principal office and make appropriate filings with the Secretary of State to reflect that fact.

ARTICLE II. DEFINITIONS

For purposes of this Restated Operating Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

2.1 **Act.** The Oregon Limited Liability Company Act and all amendments to the Act.

2.2 **Agreement.** This Restated Operating Agreement including all amendments adopted in accordance with this Agreement and the Act.

2.3 **Additional Member.** A Member other than the Initial Member who has acquired a Membership Interest from the Company.

2.4 **Admission (Admit).** The act of becoming a Member and obtaining the rights appurtenant to a Membership Interest.

2.5 **Articles.** The Articles of Organization of the Company as properly adopted and amended from time to time by the Member and filed with the Secretary of State.

2.6 **Capital Contribution.** Any Contribution or contribution of services made by or on behalf of a Member as consideration for a membership interest.

2.7 **Company.** ALFA SHATTUCK, LLC, a limited liability company formed under the laws of Oregon, and any successor limited liability company.

2.8 **Company Property.** Any Property owned by the Company.

2.9 **Contribution.** Any contribution of Property made by or on behalf of a Member as consideration for a Membership Interest or as a contribution of the capital of the Company.

2.10 **Distribution.** A transfer of Company Property to a member on account of a Membership Interest, regardless of whether the transfer occurs on the liquidation of the Company, in exchange for the Member's interest or otherwise.

2.11 **Disposition (Dispose).** Any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation or other transfer, absolute or as security or encumbrance (including dispositions by operation of law).

2.12 **Manager.** Manager shall mean one or more managers. Specifically, Manager shall mean Carl H. Cadonau, Jr. and Roderick Carl Birkland or any Person or Persons who succeeds it in that capacity. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be. In the event there is more than one Manager, any action to be taken by the Manager under this Agreement may be taken by either Manager.

2.13 **Member.** The Member executing this Agreement, any transferee of a Member or any Additional Member. At any time there is more than one Member, the term "Member" shall mean all Members, and any action that may be taken under this Agreement by the Member may be taken by any Member, provided that any dispute with respect to any action shall be decided by a majority of the Members.

2.14 **Membership.** A Member's entire interest in the Company including such Member's rights in the Company's profits, losses and Distributions pursuant to this Agreement and the Act and such other rights and privileges that the Member may enjoy by being a Member.

2.15 **Person.** An individual, trust, estate or any incorporated or unincorporated organization permitted to be a member of a limited liability company under the laws of Oregon.

2.16 **Proceeding.** Any judicial or administrative trial, hearing or other activity, civil, criminal or investigative, the result of which may be that a court, arbitrator, or governmental agency may enter a judgment, order, decree or other determination which, if not appealed and reversed, would be binding upon the Company, a Member or other Person subject to the jurisdiction of such court, arbitrator or governmental agency.

2.17 **Property.** Any property, real or personal, tangible or intangible (including goodwill), including cash and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

2.18 **Taxing Jurisdiction.** Any state, local or foreign government that collects tax, interest or penalties, however designated, on any Member's share of the income or gain attributable to the Company.

ARTICLE III. NATURE OF BUSINESS

The business of the Company is real estate development, ownership, management and related activities. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose. The Company exists only for the purpose specified in this Article III, and may not conduct any other business without the consent of the Member. The authority granted to the Member hereunder to bind the Company shall be limited to actions necessary or convenient to this business.

ARTICLE IV. ACCOUNTING AND RECORDS

The Managers shall maintain at the Principal Office:

4.1 The full name and business address of the Member;

4.2 A copy of the Articles and all amendments thereto, together with executed copies of any powers of attorney pursuant to which Articles have been executed;

4.3 Copies of the Company's federal, foreign, state and local income tax returns and reports (or the portions of the returns of others showing the taxable income deductions, gain, loss and credits of the Company), if any, for the three most recent years;

4.4 Copies of this Agreement including all amendments thereto; and

4.5 Any financial statements of the Company for the three most recent years.

ARTICLE V. NAME AND ADDRESS OF MEMBER

The name and address of the Member is: ALFA, LLC, 6149 SW Shattuck Road, Portland, Oregon 97221.

ARTICLE VI. MANAGEMENT

6.1 **Management Rights.** Subject to Section 6.2 of this Article, the business of the Company shall be conducted by the Managers and all management of the Company shall be vested in the Managers. The Managers shall have power and authority to take the following actions on behalf of the Company:

6.1.1 The institution, prosecution and defense of any proceeding in the Company's name;

6.1.2 The acquisition of Property, wherever located. The fact that the Managers or Member is directly or indirectly affiliated or connected with any such Person shall not prohibit the Managers from dealing with that Person subject to other provisions of this Agreement;

6.1.3 The Disposition of Company Property;

6.1.4 The entering into contracts and guaranties; incurring of liabilities; borrowing money, issuance of notes, bonds and other obligations; and the securing of any of its obligations by mortgage or pledge of any Company Property or income;

6.1.5 The lending of money, investment and reinvestment of the Company's funds, and receipt and holding of Property as security for repayment, including, without limitation, the loaning money to, and otherwise helping the Member, officers, employees and agents;

6.1.6 The conduct of the Company's business, the establishment of Company offices and the exercise of the powers of the Company within or without the state of Oregon;

6.1.7 The appointment of employees and agents of the Company, the defining of their duties, the establishment of their compensation;

6.1.8 The payment of pensions and establishment of pension plans pension trusts, profit sharing plans, and benefit and incentive plans for all or any of the current or former Members,

employees and agents of the Company;

6.1.9 The making of donations to the public welfare or for religious, charitable, scientific, literary or educational purposes;

6.1.10 The payment or donation, or any other act that furthers the business and affairs of the Company;

6.1.11 To payment of compensation, or additional compensation to the Member and employees on account of services previously rendered to the limited liability company, whether or not an agreement to pay such compensation was made before such services were rendered;

6.1.12 The purchase of insurance, for the life of any of the Members or employees for the benefit of the Company;

6.1.13 The participation in partnership agreements, joint ventures or other associations of any kind with any Person or Persons;

6.1.14 The indemnification of Member or any other Person;

6.1.15 The location or relocation of a place of business for the Company;

6.1.16 The execution of, or appointment of officers and agents with such designation as the Managers may determine to execute, on behalf of the Company, all instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage, investment or disposition of property, including the licensing of intellectual property;

6.1.17 The determination of the amount of, and the making of Distributions;

6.1.18 The purchase of liability and other insurance to protect the Company's property and business;

6.1.19 The investment of any Company funds (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments;

6.1.20 The confession of a judgment against the Company;

6.1.21 The making of capital expenditures;

6.1.22 The employment of accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds; and

6.1.23 The doing and performance of all other acts as may be necessary or appropriate to carry out the Company's business purpose.

6.2 **Certain Powers of Managers and Restrictions on Authority of the Managers.** Notwithstanding Section 6.1 of this Article, only the Member may take the following actions or may

direct the Managers to take the following actions:

6.2.1 The Admission of an Additional Member;

6.2.2 The initiation or a proceeding for the Bankruptcy of the Company;

6.2.3 The change in the purpose of the Company;

6.2.4 The approval of a merger, conversion or the application of any statute (the application of which is elective) to the Company;

6.2.5 The taking of any action which would make it impossible to fulfill the purpose of the Company;

6.2.6 The amendment of this Agreement or take any action in violation of this Agreement;

6.2.7 The causing of the Company to voluntarily initiate a proceeding under which the Company would become a Debtor under the United States Bankruptcy Code; and

6.2.8 The sale, exchange or other Disposition of all, or substantially all, of the Company Property other than in the ordinary course of the Company's business.

6.3 **Liability of Member and Managers.** Neither the Member nor Managers shall be liable as Member or Managers for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Member or Managers for liabilities of the Company.

6.4 **Indemnification.** The Company shall indemnify the Member and the Managers for all costs, losses, liabilities and damages paid or accrued by the Member (either as Member or as agent) or Managers in connection with the business of the Company or because such Person is a Member or Manager, to the fullest extent provided or allowed by the law of Oregon. In addition, the Managers shall cause the Company to advance costs of participation in any Proceeding to the Managers or Member. The Managers may, with the consent of the Member, indemnify all other employees and agents of the Company for all costs, losses, liabilities and damages paid or accrued by the agent or employee in connection with the business of the Company or because such Person is an agent or employee, to the fullest extent provided or allowed by the laws of Oregon.

6.5 **Conflicts of Interest**

6.5.1 The Member or Managers shall be entitled to enter into transactions that may be considered to be competitive with, or a business opportunity that may be beneficial to, the Company, it being expressly understood that the Member or Managers may enter into transactions that are similar to the transactions into which the Company may enter.

6.5.2 A Member or Manager does not violate a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interest. A Member or Manager may

lend money to and transact other business with the Company. The rights and obligations of a Member or Manager who lends money to or transacts business with the Company are the same as those of a Person who is not a Member, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member or Manager has a direct or indirect interest in the transaction if either the transaction is fair to the Company or the Member (in the case of a transaction in which the Manager but not the Member is personally interested) or the Manager (in the case of a transaction in which the Member but not the Manager is personally interested) with knowledge of the interest of the Member or Manager as the case may be.

6.6 **Authority of Managers To Bind the Company.** Only the Managers and agents of the Company authorized by the Managers shall have the authority to bind the Company.

6.7 **Compensation of Member and Managers.** The Member and Managers shall be reimbursed all reasonable expenses incurred on behalf of the Company and shall be entitled to reasonable compensation, in an amount to be determined from time to time by the Member.

6.8 **Standard of Care of Member and Managers.** The Member's and the Managers' duty of care in the discharge of their duties to the Company is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct or a knowing violation of law. In discharging its duties, the Member and the Managers shall be fully protected in relying in good faith upon the records required to be maintained under Article IV and upon such information, opinions, reports or statements by any of its agents, or by any other Person, as to matters the Member or the Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

ARTICLE VII. CONTRIBUTIONS

The Member shall make any Contribution it has obligated itself to make. If no time for the Contribution is specified, the Contributions shall be made at such time as agreed by the Member. No interest shall accrue on any Contribution and the Member shall not have the right to withdraw or be repaid any Contribution except as provided in this Agreement.

ARTICLE VIII. DISTRIBUTIONS

Except as provided by nonwaivable provisions of the Act, the Company may make distributions as determined by the Managers.

ARTICLE IX. TAXES

9.1 **Elections.** The Managers may make any tax elections for the Company allowed under the Internal Revenue Code of 1986 as amended from time to time or the tax laws of any state or other jurisdiction having taxing jurisdiction over the Company.

9.2 **Taxes of Taxing Jurisdictions.** To the extent that the laws of any Taxing Jurisdiction requires, the Managers will prepare and the Member will execute and submit an agreement indicating that the Member will make timely income tax payments to the Taxing

Jurisdiction and that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income and interest, and penalties assessed on such income, if such agreement is required by the Taxing Jurisdiction. If the Member fails to provide such agreement, the Company may withhold and pay over to such Taxing Jurisdiction the amount of tax, penalty and interest determined under the laws of the Taxing Jurisdiction with respect to such income. Any such payments with respect to the income of a Member shall be treated as a distribution for purposes of Article VIII.

9.3 **Method of Accounting.** The records of the Company shall be maintained on the same method of accounting as that of the Member.

ARTICLE X. DISPOSITION OF MEMBERSHIP INTEREST AND ADMISSION OF ASSIGNEES AND ADDITIONAL MEMBERS

10.1 **Disposition.** The Member's Membership Interest is transferable either voluntarily or by operation of law. The Member may Dispose of all or a portion of the Member's Membership Interest. Notwithstanding any provision of the Act to the contrary, upon the Disposition of the Member's Membership Interest, the transferee shall be Admitted upon the completion of the transfer without further action. Upon the transfer of a Member's entire Membership Interest (other than a temporary transfer or transfer as a pledge or security interest) the Member shall cease to be a Member and shall have no further rights or obligations under this agreement, except that the Member shall have the right to such information as may be necessary for the computation of the Member's tax liability.

10.2 **Admission of Additional Members.** The Member may Admit Additional Members and determine the Capital Contributions of such Additional Members.

ARTICLE XI. DISSOLUTION AND WINDING UP

11.1 **Dissolution.** The Company shall be dissolved and its affairs wound up, upon the will of the Member. Notwithstanding any provision of the Act to the contrary, the Company shall continue and not dissolve as a result of the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or any other event that terminates the continued membership of the Member.

11.2 **Effect of Dissolution.** Upon dissolution, the Company shall cease carrying on as distinguished from the winding up of the Company business, but the Company is not terminated, but continues until the winding up of the affairs of the Company is completed and the Certificate of Dissolution has be issued by the Secretary of State.

11.3 **Distribution of Assets on Dissolution.** Upon the winding up of the Company, the Managers shall liquidate Company Property if necessary or desirable, and shall cause the Company Property to be distributed:

11.3.1 to creditors, including the Member if it is a creditor, to the extent permitted by law, in satisfaction of Company Liabilities;

11.3.2 to the Member. Such distributions shall be in cash, Property other than cash, or partly in both, as determined by the Managers.

11.4 **Winding Up and Certificate of Dissolution.** The winding up of a limited liability company shall be completed when all debts, liabilities and obligations of the limited liability company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining property and assets of the limited liability company have been distributed to the Member. Upon the completion of winding up of the Company, the Managers or other person designated by the Managers shall deliver a certificate of dissolution to the Secretary of State for filing. The certificate of dissolution shall set forth the information required by the Act.

ARTICLE XII. AMENDMENT

This Agreement may be amended or modified from time to time only by a written instrument adopted by the Member and the Company and executed by the Member and the Company.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

13.1 **Entire Agreement.** This Agreement represents the entire agreement between the Member, the Managers and the Company.

13.2 **Rights of Creditors and Third Parties Under Agreement.** This Agreement is entered into between the Member, the Managers and the Company for the exclusive benefit of the Company, its Member and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Member with respect to any Capital Contribution or otherwise.

IN WITNESS WHEREOF, we have hereunto set out hand and seals on the date set forth beside out names.

MEMBER:

Alfa, LLC

By: Carl H Cadonau Jr.
Carl H. Cadonau, Jr., Operating Manager

By: Roderick Carl Birkland
Roderick Carl Birkland, Operating Manager

MANAGERS:

Carl H Cadonau Jr.
Carl H. Cadonau, Jr.

Roderick Carl Birkland
Roderick Carl Birkland

FIRST AMENDMENT TO LEASE

This First Amendment to Lease ("Amendment") is made effective and entered into on October 25, 2016 ("Execution Date") by and between Alfa Shattuck, LLC, an Oregon limited liability company, ("Landlord"), and Alpenrose Dairy Inc., an Oregon corporation, ("Tenant"),

RECITALS

This Amendment is made with reference to the following facts and objectives:

A. Landlord and Tenant (and/or their predecessors in interest) are parties to that certain lease dated January 1, 2015, covering the lease of certain premises located within the City of Portland, County of Multnomah, State of Oregon, commonly known as, 6149 SW Shattuck Road ("Premises").

B. The above stated lease dated January 1, 2015 together with any and all amendments and assignments thereto are collectively referred to herein as the "Lease".

C. Landlord and Tenant hereby express their mutual desire and intent to amend by this writing those terms, covenants and conditions of the Lease that are set forth herein.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the forgoing recitals and the mutual promises contained herein, the parties hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and incorporated herein by this reference.

2. Revised Base Rent. The parties hereto agree that the Lease is hereby amended to provide that commencing on November 1st, 2016 the Base Rent shall be determined as follows:

   Tenant shall pay to Landlord Base Rent on a quarterly basis on January 1st, April 1st, July 1st and October 1st for each year of the Lease, with any partial quarter pro-rated. The Base Rent provided herein shall be adjusted as of November 1st, 2016 to one hundred fifty nine thousand nine hundred seventy-eight dollars ($159,978.00) per quarter, and shall increase by three percent (3%) on April 1st of each year thereafter. Notwithstanding otherwise stated above, the base rent due for the two (2) months following the execution of this Amendment shall be: November 1, 2016 through December 31, 2016 $106,652.00 per two month period.

3. Capitalized Terms. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

4. Amendment; Conflicts. Except as amended herein or listed below (if any), all of the terms, conditions, covenants, agreements, and provisions set forth in the Lease shall remain unchanged and shall be and they hereby are reaffirmed, ratified, confirmed and approved in their entirety and shall remain in full force and effect. In the event of any conflict or inconsistency between the provisions of the Lease and the provisions listed herein, the provisions of this Amendment shall in all instances govern and control.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

6. Authority. Each individual executing this Amendment on behalf of Landlord or Tenant, respectively, represents and warrants that he or she is duly authorized to execute and deliver this Amendment on behalf of such entity, in accordance with its organizational documents, and that this Amendment is binding upon such entity.

7. Brokers. Tenant and Landlord each represents, covenants, and warrants that they have not engaged any broker, agent, or finder who would be entitled to any commission or fee in connection with the negotiation and execution of this Amendment except ARM Property Management, specifically Mark Schick, who solely represents the Landlord. Tenant agrees to defend, indemnify and hold harmless the Landlord from and against any and all claims, damages, costs, expenses, and liabilities in connection therewith, including attorneys' fees and expenses, in connection with any claim or charge for a commission or fee by any broker, agent, or finder on the basis of any agreements made or alleged to have been made by or on behalf of Tenant. Landlord shall be responsible for all payments due to Landlord's Broker.

8. Further Assurances. The parties hereto agree to execute and deliver such further documents, instruments and other agreements as are necessary and convenient to carry out the terms and purposes of this Amendment. In all instances where Tenant is required by the terms and provisions of this Amendment to pay any sum or to do any act at a particular time or within an indicated period, it is understood and agreed that time is of the essence.

9. Governing Law. This Amendment has been executed and delivered in the State of Oregon, on the Execution Date listed above. This Amendment shall be governed by and construed in accordance with the laws of the State of Oregon. Any lawsuit arising hereunder or under the Lease shall be brought in the Circuit Court of Multnomah County Oregon.

CONSULT YOUR ATTORNEY

THIS AMENDMENT, INCLUDING WITHOUT LIMITATION ALL ADDENDUMS, EXHIBITS, AND ATTACHMENTS, HAS BEEN PREPARED AT THE DIRECTION OF THE LANDLORD AND TENANT. BOTH LANDLORD AND TENANT ACKNOWLEDGE THAT THEY HAVE HAD AN ADEQUATE OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF THEIR CHOOSING REGARDING THE OBLIGATIONS IMPOSED BY AND CONSEQUENCES OF EXECUTING THIS AMENDMENT, INCLUDING WITHOUT LIMITATION ALL ADDENDUMS, EXHIBITS, AND ATTACHMENTS, AND THAT THEY HAVE EITHER CONSULTED WITH AN ATTORNEY, OR HAVE DECLINED TO DO SO AFTER DUE CONSIDERATION. THE RULE OF CONSTRUCTION THAT A WRITTEN AGREEMENT IS CONSTRUED AGAINST THE PARTY PREPARING OR DRAFTING SUCH AGREEMENT SHALL SPECIFICALLY NOT BE APPLICABLE TO THE INTERPRETATION OR ENFORCEMENT OF THIS AMENDMENT, INCLUDING WITHOUT LIMITATION ALL ADDENDUMS, EXHIBITS, AND ATTACHMENT. NO REPRESENTATION OR RECOMMENDATION IS MADE BY ARM PROPERTY MANAGEMENT OR THE REAL ESTATE BROKER(S), IF ANY, INVOLVED IN THIS TRANSACTION CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AMENDMENT, INCLUDING WITHOUT LIMITATION ALL ADDENDUMS, EXHIBITS, AND ATTACHMENTS.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment in duplicate as of the Execution Date listed above.

Landlord:

Alfa Shattuck, LLC

By: Barbara Deeming
Barbara Deeming,
Manager

Tenant:

Alpenrose Dairy, Inc.

By: Carl Cadonau Jr.
Carl Cadonau, Jr,
Co-President

COMMERCIAL LEASE

THIS COMMERCIAL LEASE is entered into effective January 1, 2015 by and between ALFA SHATTUCK, LLC, an Oregon limited liability company ("Landlord"), and ALPENROSE DAIRY, INC., an Oregon corporation ("Tenant"), with respect to the real property and improvements located at 6149 SW Shattuck Road, Portland, Oregon 97221 and more particularly described in attached *Exhibit A* (the "Premises").

RECITALS:

WHEREAS, Landlord's predecessor and Tenant have previously had a lease arrangement for the Premises; and

WHEREAS, the parties now wish to enter into this Lease;

NOW, THEREFORE, the parties hereby enter into this Lease, which shall supersede all previous leases for the Premises (the "Lease") upon the terms and conditions stated below:

1. Occupancy.

1.1 Original Term. Landlord hereby leases the Premises to Tenant and Tenant leases the Premises from Landlord on the terms and conditions stated herein. The term of this Lease shall commence on January 1, 2015. The term shall continue through June 30, 2019, unless sooner terminated as hereinafter provided.

1.2 Possession. Landlord has delivered possession to Tenant.

1.3 Renewal Option. If the Lease is not in default when each option is exercised or when the renewal term is to commence, Tenant shall have the option to renew this Lease for four (4) successive terms of five (5) years each, as follows:

(1) Each of the renewal terms shall commence on the day following expiration of the preceding term.

(2) The renewal of this Lease shall be automatic unless Tenant gives not less than ninety (90) days' written notice before the last day of the expiring term. The absence of such notice shall be sufficient to make the Lease binding for the renewal term without further act of the parties.

(3) The terms and conditions of the Lease for each renewal term shall be identical with the original term, subject to base rent adjustments set forth in Section 2.1.

2. Rent.

2.1 Base Rent. Tenant shall pay to Landlord as annual base rent five percent (5%) of the "Market Value" of Parcel 1 & 2, as described in attached Exhibit A, (currently Tax Account R329033, R329035, and R329237) of the Premises as shown in the tax records of Multnomah County. The base rent shall be paid quarterly on January 1st, April 1st, July 1st and October 1st for each year of this Lease, with any partial quarter pro-rated. The base monthly rent per quarter provided herein shall be adjusted as of April 1, 2016 based on the County's taxes for the 2015/2016 tax year, and as of April 1st of each year thereafter. The base rent due for the initial fifteen (15) months of this Lease shall be: January 1, 2015 through March 31, 2015 $77,257.00

per quarter and April 1, 2015 through March 31, 2016 $108,470.25 per quarter (as illustrated on Schedule 2.1 attached hereto).

2.2 Additional Rent. All taxes, insurance costs, utility charges that Tenant is required to pay by this Lease, and any other sum that Tenant is required to pay to Landlord or third parties shall be additional rent.

3. Use of the Premises.

3.1 Permitted Use. The Premises shall be used for manufacturing of food products and public events (i.e. softball fields, bicycling racing, Plays in Opera House, etc.) and for no other purpose without the consent of Landlord, which consent shall not be withheld unreasonably.

3.2 Restrictions on Use. In connection with the use of the Premises, Tenant shall:

(1) Conform to all applicable laws and regulations of any public authority affecting the Premises and the use, and correct at Tenant's own expense any failure of compliance created through Tenant's fault or by reason of Tenant's use, but Tenant shall not be required to make any structural changes to effect such compliance unless such changes are required because of Tenant's specific use.

(2) Refrain from any activity that would make it impossible to insure the Premises against casualty.

3.3 Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises in violation of applicable Environmental Laws. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the business specified in Section 3.1. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. On the expiration or termination of this Lease, Tenant shall remove all Hazardous Substances from the Premises. The term *Environmental Law* shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment. The term *Hazardous Substance* shall mean any hazardous, toxic, infectious, or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions. Upon expiration or earlier termination of the Tenant's occupancy of the Premises, Tenant shall remove all below ground and above ground fuels tanks and all fuel dispensing associated fixtures and equipment from the Premises and repair any damaged caused by such removal and restore the Premises to the original condition as at the time prior to the Tenant's installation of the fuel tank and dispensing equipment.

4. Repairs and Maintenance.

4.1 Landlord's Obligations. Landlord shall be under no obligation to make or perform any repairs, maintenance, replacements, alterations, or improvements on the Premises.

4.2 Tenant's Obligations. Tenant, at its expense, shall keep the Premises (including without limitation the roof and exterior paint) in first-class repair, operating condition, working order, and appearance.

4.3 Landlord's Interference with Tenant. In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Landlord shall not cause unreasonable interference with use of the Premises by Tenant. Tenant shall have no right to an abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirements of this provision.

4.4 Reimbursement for Repairs Assumed. If Tenant fails or refuses to make repairs that are required by this Section 4, Landlord may make the repairs and charge the actual costs of repairs to Tenant. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the rate of twelve percent (12%) per annum, from the date of expenditure by Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, Landlord may not perform repairs that are the obligation of Tenant and charge Tenant for the resulting expense unless at least ten (10) days before work is commenced, Tenant is given notice in writing outlining with reasonable particularity the repairs required, and Tenant fails within that time to initiate such repairs in good faith.

4.5 Inspection of Premises. Landlord shall have the right to inspect the Premises at any reasonable time or times to determine the necessity of repair.

5. Alterations.

5.1 Alterations. Tenant shall make no improvements or alterations on the Premises in excess of Five Hundred Thousand Dollars ($500,000) without first obtaining Landlord's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes.

5.2 Ownership and Removal of Alterations. All improvements and alterations performed on the Premises by either Landlord or Tenant shall be the property of Landlord when installed unless the applicable Landlord's consent or work sheet specifically provides otherwise. Improvements and alterations installed by Tenant shall, at Landlord's option, be removed by Tenant and the Premises restored unless the applicable Landlord's consent or work sheet specifically provides otherwise. All Tenant's trade fixtures and manufacturing equipment shall remain property of Tenant, regardless of the manner of installation, except as otherwise stated in Section 15.2 below.

6. Insurance.

6.1 Insurance Required. Tenant shall keep the Premises insured at Tenant's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage and showing Landlord as an additional loss payee. Tenant shall bear the expense of insuring the property of Tenant on the Premises against such risks.

6.2 Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver

will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

7. Taxes; Utilities.

7.1 Property Taxes. Tenant shall pay as due all taxes on its personal property located on the Premises. Tenant shall pay as due all real property taxes and special assessments levied against the Premises. As used herein, real property taxes include any fee or charge relating to the ownership, use, or rental of the Premises, other than taxes on the net income of Landlord or Tenant. If, during the lease term, the voters of the state in which the Premises are located or the State Legislature enacts a real property tax limitation, then any substitute taxes, in any name or form, which may be adopted to replace or supplement real property taxes, shall be considered the equivalent of real property taxes for the purposes of this Section Should there be in effect during the Lease term any law, statute or ordinance which levies, assesses or imposes any tax (other than any income tax) upon rents, Tenant shall pay such tax as may be attributed to the rents under this lease or shall reimburse Landlord for any such taxes paid by Landlord within ten (10) days after Landlord bills Tenant for same.

7.2 Special Assessments. If an assessment for a public improvement is made against the Premises, Tenant may elect to cause such assessment to be paid in installments, in which case all of the installments payable with respect to the Lease term shall be treated the same as general real property taxes for purposes of Section 7.1.

7.3 Contest of Taxes. Tenant shall be permitted to contest the amount of any tax or assessment as long as such contest is conducted in a manner that does not cause any risk that Landlord's interest in the Premises will be foreclosed for nonpayment. Landlord shall cooperate in any reasonable manner with such contest by Tenant.

7.4 Proration of Taxes. Tenant's share of real property taxes and assessments for the years in which this Lease commences or terminates shall be prorated based on the portion of the tax year that this Lease is in effect.

7.5 New Charges or Fees. If a new charge or fee relating to the ownership or use of the Premises or the receipt of rental therefrom or in lieu of property taxes is assessed or imposed, then, to the extent permitted by law, Tenant shall pay such charge or fee. Tenant, however, shall have no obligation to pay any income, profits, or franchise tax levied on the net income derived by Landlord from this Lease.

7.6 Payment of Utilities Charges. Tenant shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises, including (but not limited to) charges for fuel, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, and janitorial services. If any utility services are provided by or through Landlord, charges to Tenant shall be comparable with prevailing rates for comparable services.

8. Damage and Destruction.

8.1 Partial Damage. If the Premises are partly damaged and Section 8.2 does not apply, the Premises shall be repaired by Tenant at Tenant's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Tenant and shall be performed in accordance with the provisions of Section 5.

8.2 Destruction. If the Premises are destroyed or damaged such that the cost of repair exceeds thirty-five percent (35%) of the value of the structure before the damage, either party may elect to terminate the Lease as of the date of the damage or destruction by notice given to the other in writing not more than forty-five (45) days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination, except Landlord shall be entitled to all insurance proceeds other than for Tenant's personal property and trade fixtures and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, Tenant shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters beyond Tenant's reasonable control.

8.3 Rent Abatement. Rent shall not be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be rent abatement where the damage occurred as the result of the fault of Landlord.

9. Eminent Domain.

9.1 Partial Taking. If a portion of the Premises is condemned and Section 9.2 does not apply, the Lease shall continue on the following terms:

(1) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

(2) Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

(3) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the Premises in anticipation of taking, the rent shall be reduced in proportion to the reduction in value of the Premises as an economic unit on account of the partial taking. If the parties are unable to agree on the amount of the reduction of rent, the amount shall be determined by arbitration in the manner provided in Section 17.

9.2 Total Taking. If a condemning authority takes all of the Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use that Tenant was then making of the Premises, the Lease shall terminate as of the date the title vests in the condemning authorities. Such termination shall have the same effect as a termination by Landlord under Section 8.2. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

9.3 Sale in Lieu of Condemnation. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 9 as a taking by condemnation.

10. Liability and Indemnity.

10.1 Liens.

(1) Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the

Premises, and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of twelve percent (12%) per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

(2) Tenant may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Landlord's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

10.2 Indemnification. Tenant shall indemnify and defend Landlord from, and reimburse Landlord for, any cost, claim, loss, or liability suffered directly or from a third-party claim arising out of or related to any activity of Tenant on the Premises or any condition of the Premises in the possession or under the control of Tenant including any such cost, claim, loss, or liability that may be caused or contributed to in whole or in part by Landlord's own negligence or failure to effect any repair or maintenance required by this Lease and including without limitation any cost, claim, loss, or liability suffered directly or from a third-party claim for damage to the Premises or any other persons or property arising out of or related to Tenant's failure to comply with Section 4. Landlord shall have no liability to Tenant for any injury, loss, or damage caused by third parties, or by any condition of the Premises (except to the extent caused by Landlord's negligence or breach of duty under this Lease).

10.3 Liability Insurance. Before going into possession of the Premises, Tenant shall procure and thereafter during the term of the Lease shall continue to carry the following insurance at Tenant's cost: comprehensive general liability insurance in a responsible company with limits of not less than $5,000,000 for injury to one person, $10,000,000 for injury to two or more persons in one occurrence, and $2,000,000 for damage to property: Environmental Pollution Liability Insurance (specifically including anhydrous ammonia pollution) issued by an insurer rated B+:IX or better in Best's Insurance Guide, and licensed to do business in the state of Oregon with limits of not less than Two Million Dollars ($2,000,000) per occurrence and in aggregate; and Storage Tank Pollution Liability Insurance issued by an insurer rated B+:IX or better in Best's Insurance Guide, and licensed to do business in the state of Oregon with respect to all fuel storage tanks located on the Premises with limits for not less than One Million Dollars ($1,000,000) per occurrence and in aggregate. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the Premises whether or not related to an occurrence caused or contributed to by Landlord's negligence. Such insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under Section 10.2, and shall name Landlord as an additional insured. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days' written notice to Landlord before any change or cancellation shall be furnished to Landlord before Tenant's occupancy of the property.

11. Quiet Enjoyment; Estoppel Certificate.

11.1 Landlord's Warranty. Landlord warrants that it is the owner of the Premises and has the right to Lease them free of all encumbrances except liens, easements, covenants, conditions and restrictions of record. Subject to these exceptions Landlord will defend Tenant's

right to quiet enjoyment of the Premises from the lawful claims of all persons during the Lease term.

11.2 Estoppel Certificate. Either party will, within twenty (20) days after notice from the other, execute and deliver to the other party a certificate stating whether or not this Lease has been modified and is in full force and effect and specifying any modifications or alleged breaches by the other party. The certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the specified time shall be conclusive on the party from whom the certificate was requested that the Lease is in full force and effect and has not been modified except as represented in the notice requesting the certificate.

12. Assignment and Subletting. No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the property be conferred on any third person by any other means, without the prior written consent of Landlord; provided, however, no consent shall be required for sublease(s) for up to 25% of the Premises. This provision shall apply to all transfers by operation of law. If Tenant is a corporation or partnership, this provision shall apply to any transfer of a majority voting interest in stock or partnership interest of Tenant. No consent in one instance shall prevent the provision from applying to a subsequent instance. Landlord's consent may be withheld as Landlord's sole option. In determining whether to consent to assignment Landlord may consider the financial ability of assignee and business experience of assignee, among other factors reasonably deemed relevant by Landlord.

13. Default. The following shall be events of default:

13.1 Default in Rent. Failure of Tenant to pay any rent or other charge within ten (10) days after written notice that it is due.

13.2 Default in Other Covenants. Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if Tenant begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

13.3 Insolvency. Insolvency of Tenant; an assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within sixty (60) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within ten (10) days.

14. Remedies on Default.

14.1 Termination. In the event of a default the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by the election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

14.2 Reletting. Following reentry, Landlord may relet the Premises and in that connection may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, but Landlord shall not be required to relet for any use or purpose other than that specified in the Lease or which Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

14.3 Damages. In the event of termination or retaking of possession following default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following amounts as damages:

(1) The loss of rental from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured and paying out.

(2) The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Tenant's property and fixtures, costs incurred under Section 14.5, or any other expense occasioned by Tenant's default including but not limited to, any remodeling or repair costs, attorney fees, court costs, broker commissions, and advertising costs.

(3) Any excess of the value of the rent and all of Tenant's other obligations under this Lease over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the Premises are relet, and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major Oregon banks in effect on the date of trial.

14.4 Right to Sue More than Once. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease term, and no action for damages shall bar a later action for damages subsequently accruing.

14.5 Landlord's Right to Cure Defaults. If Tenant fails to perform any obligation under this Lease, Landlord shall have the option to do so after thirty (30) days' written notice to Tenant. All of Landlord's expenditures to correct the default shall be reimbursed by Tenant on demand with interest at the rate of twelve percent (12%) per annum from the date of expenditure by Landlord. Such action by Landlord shall not waive any other remedies available to Landlord because of the default.

14.6 Remedies Cumulative. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord under applicable law.

15. Surrender at Expiration.

15.1 Condition of Premises. On expiration of the Lease term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in first-class condition and broom clean. Alterations and improvements constructed by Tenant with permission from Landlord shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Depreciation and wear from ordinary use for the purpose for which the Premises are leased shall be excepted but repairs for which Tenant is responsible shall be completed to the latest practical date before such surrender. Tenant's

obligations under this section shall be subordinate to the provisions of Section 8 relating to destruction.

15.2 Fixtures.

(1) All fixtures placed on the Premises during the term, other than Tenant's trade fixtures and manufacturing equipment, shall, at Landlord's option, become the property of Landlord. If Landlord so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of Landlord, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the legal rate from the date of expenditure.

(2) Before expiration or other termination of the Lease term, Tenant shall remove all furnishings, furniture, and manufacturing equipment, and trade fixtures that remain its property. If Tenant fails to do so, this failure shall be an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within thirty (30) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by Landlord.

15.3 Holdover.

(1) If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of this Lease except the provisions for term and renewal and at a rental rate equal to one hundred fifty percent (150%) of the rent last paid by Tenant during the original term, or to eject Tenant from the Premises and recover damages caused by wrongful holdover. Failure of Tenant to remove fixtures, furniture, furnishings, or trade fixtures that Tenant is required to remove under this Lease shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.

(2) If a month-to-month tenancy results from a holdover by Tenant under this Section 15.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Landlord given not less than ten (10) days before the termination date which shall be specified in the notice. Tenant waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

16. Miscellaneous.

16.1 Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. The acceptance of a late payment of rent shall not waive the failure to perform an obligation under this Lease except for the failure to pay the rent so accepted when due and shall not affect Landlord's remedies for failure to perform such other obligations.

16.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on appeal and on petition for review.

16.3 Notices. Any notice required or permitted under this Lease shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed as set forth below or to such other address as may be specified from time to time by either of the parties in writing.

Landlord:	Alfa Shattuck, LLC 4905 SW Griffith Dr., Suite 205 Beaverton, OR 97005 Attn: Property Administration	Tenant:	Alpenrose Dairy, Inc. 6149 SW Shattuck Road Portland, OR 97221 Attn: Carl H. Cadonau, Jr.

With a copy to: ARM Property Management
Attn: Mark Schick
4905 SW Griffith Dr., Suite 206
Beaverton, OR 97005

16.4 Succession. Subject to the above-stated limitations on transfer of Tenant's interest, this Lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

16.5 Recordation. This Lease shall not be recorded.

16.6 Entry for Inspection. Landlord shall have the right to enter on the Premises at any time to determine Tenant's compliance with this Lease, to make necessary repairs to the building or to the Premises, or to show the Premises to any prospective tenant or purchaser, and in addition shall have the right, at any time during the last two months of the term of this Lease, to place and maintain on the Premises notices for leasing or selling of the Premises.

16.7 Interest on Rent and Other Charges. Any rent or other payment required of Tenant by this Lease shall, if not paid within ten (10) days after it is due, bear interest at the rate of twelve percent (12%) per annum from the due date until paid. In addition, if Tenant fails to make any rent or other payment required by this Lease to be paid to Landlord within ten (10) days after it is due, Landlord may elect to impose a late charge of five percent (5%) of the overdue payment to reimburse Landlord for the costs of collecting the overdue payment. Tenant shall pay the late charge on demand by Landlord. Landlord may levy and collect a late charge in addition to all other remedies available for Tenant's default, and collection of a late charge shall not waive the breach caused by the late payment.

16.8 Proration of Rent. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Tenant or paid on its account.

16.9 Time of Essence. Time is of the essence of the performance of each of Tenant's obligations under this Lease.

17. Arbitration.

17.1 Disputes to Be Arbitrated. If any dispute arises between the parties regarding a matter that this Lease says should be arbitrated, or regarding to any other question involving

apportionment or valuation, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of rental properties comparable to the Premises. The other party shall also choose an arbitrator with such qualifications, and the two arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within ten (10) days of the choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the Premises are located to appoint the required arbitrator.

17.2 Procedure for Arbitration. The arbitrator shall proceed according to the Oregon statutes governing arbitration, and the award of the arbitrators shall have the effect therein provided. The arbitration shall take place in the county where the leased Premises are located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

Landlord:

ALFA SHATTUCK, LLC

By: _____
Name: Carl H. Cadonau, Jr.
Title: Operating Manager

Tenant:

ALPENROSE DAIRY, INC.

By: _____
Name: Roderick Birkland
Title: Co-President

EXHIBIT A
LEGAL DESCRIPTION OF PREMISES

PARCEL 1: A tract of land situated in the Southwest one-quarter of Section 18, Township 1 South, Range 1 East, of the Willamette Meridian, in the City of Portland, County of Multnomah, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of said Section 18, and running thence North along the Section line a distance of 2214 feet, more or less, to the center line of the Oregon and California Railroad right-of-way; thence along the center line of said right-of-way, a distance of 1740 feet, more or less, to the center of the County Road No. 1157; thence South 19 West along the center of said road, 593 feet; thence South 40-1/2 West along the center of Road 362-1/2 feet; thence along the center of said road South 40 26' West 215.7 feet to an iron pipe; thence South 62 08' West along the center of said road, 616.2 feet to an iron pipe; thence South 21 08' West along the center of said road 85 feet to an iron pipe; thence South 72 22' East along the center of said road, 255 feet to an iron pipe; thence South 10 38' West along the center of said road 210 feet to an iron pipe; thence South 43 53' West along the center of said County Road 155 feet to an iron pipe; thence North 89 04' West along the South line of said Section 18, to the point of beginning.

ALSO TRACT

Beginning at a point on the West line of Section 18 Township 1 South Range 1 East Willamette Meridian Multnomah County, Oregon that is South 424.83 feet from the West quarter corner of said Section 18; thence North 76° 25' 40" East 540.83 feet to a point on the North right of way line of the old Southern Pacific Railroad right of way and on the West line of the Plat of Shattuck; thence South 0° 04" West 60.32 feet along the Southerly extension of the West line of Shattuck to a point in the Southerly right of way line of the old Southern Pacific Railroad; thence Westerly along the arc of a 851.59 feet radius curve to the left a distance of 60.92 feet (the long chord of which bears North 85° 25' 20" West) to a point of compound curve; thence along the arc of a 1011.84 feet radius curve to the left a distance of 242.82 feet (the long chord of which bears South 85° 40' West) to a point of compound curve; thence along the arc of a 874.78 feet radius curve to the left a distance of 215.44 feet (the long chord of which bears South 71° 44' 10" West) to a point of compound curve; thence along the arc of a 1116.01 feet radius curve to the left a distance of 21.48 feet (the long chord of which bears South 64° 09' 20" West) to a point on the West line of said Section 18; thence North 23.55 feet to the point of beginning, the Southerly boundary of said parcel being the Southerly boundary of said Southern Pacific right-of-way.

EXCEPT THEREFROM that portion lying within County Road 1157 (SW Shattuck Road) and SW Vermont Street.

ALSO EXCEPT THEREFROM that portion described in deed to the Oregon and California Railroad Company recorded July 7, 1887 in Book 94, Page 265, Records of Multnomah County.

ALSO EXCEPTING therefrom:

A tract of land in the Southwest quarter of Section 18, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a railroad spike in the South line of said Section 18, said spike bearing South 89° 13' East 139.30 feet from the Southwest corner of said Section 18, said spike marking the intersection of said South line with the center line of S.W. Shattuck Road (Co. Road No. 1175); thence along the center line of said S.W. Shattuck Road North 29° 00' East 332.73 feet to a point on the semi-tangent of a 573.14 foot radius curve; thence South 58° 00' East 30.79 feet along the radial line and its extension of said 573.14 foot radius curve to an iron pipe set in the Southeasterly right-of-way line of said S.W. Shattuck Road; thence North 88° 32' 30" East 328.98 feet to an iron pipe set in the Westerly right-of-way line of S.W. 63rd Avenue (Co. Road No. 1692); thence South 79° 47' East 25 feet to the center line of said S.W. 63rd Avenue; thence Southerly and Southwesterly along said center line to the intersection of said center line with the South line of Section 18; thence North 89° 13' West, along said South line of Section 18, a

distance of 400.70 feet to the point of beginning.

AND EXCEPTING

A tract of land in the Southwest quarter of Section 18, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point that is North 1213.37 feet and East 990.83 feet from the Southwest corner of said Section 18; thence North 4° 48' East 116.20 feet; thence South 85° 12' East 140.00 feet; thence South 4° 48' West 116.20 feet; thence North 85° 12' West 140.00 feet to the point of beginning.

PARCEL 2: A tract of land situated in the Southwest one-quarter of Section 18, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point that is North 1213.37 feet and East 990.83 feet from the Southwest corner of said Section 18; thence North 4°48' East 116.20 feet; thence South 85°12' East 140.00 feet; thence South 4°48' West 116.20 feet; thence North 85°12' West 140.00 feet to the point of beginning.

TOGETHER WITH a 10 foot easement for ingress and egress from the Southeast corner of the above described tract to SW Shattuck Road.

PARCEL 3:

Lots 3, 6 and 7, SHATTUCK, in the City of Portland, Multnomah County, Oregon

PARCEL 4:

Lots 4 and 5, SHATTUCK, in the City of Portland, Multnomah County, Oregon

PARCEL 5:

Lot 8, SHATTUCK, in the City of Portland, Multnomah County, Oregon

PARCEL 6:

Lots 17 and 18, SHATTUCK, in the City of Portland, Multnomah County, Oregon

SCHEDULE 2.1

ANNUAL BASE RENT FOR 2015 LEASE YEAR

Parcel Number	Acres	2014/2015 Market Value	5%
Parcel 1 - 1S1E18 00100 (Land)	51.42	$ 4,902,270	$245,113.50
Parcel 1 - 1S1E18 00100A2 (Structures)		$ 3,645,350	$182,267.50
Parcel 2 - 1S1E18CC 00100 (Land)	0.37	$ 130,000	$ 6,500.00
TOTAL:		$ 8,677,620	$433,881.00

(QUARTERLY RENT PAYMENT FOR 2015 = $108,470.25)

OPERATING AGREEMENT
OF
ALFA, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made and entered into effective October 10, 2014 (the "Effective Date"), by and among ALFA, LLC (the "Company") and CARL H. CADONAU, JR., ANITA JEAN CADONAU-HUSEBY, BARBARA CARROLL DEEMING, RODERICK CARL BIRKLAND, WENDELL RAYMOND BIRKLAND and CADONAU-CHARTER LIMITED PARTNERSHIP (the "Members").

1. The Limited Liability Company.

1.1 Formation. As of the Effective Date, the Members formed an Oregon limited liability company under the name ALFA, LLC, on the terms and conditions set forth in this Agreement and pursuant to the Oregon Limited Liability Company Act (the "LLC Act"). On the Effective Date, the Members filed Articles of Organization for the Company with the Corporation Division of the Oregon Secretary of State's office. The rights and obligations of the parties are as provided in the LLC Act except as otherwise expressly provided in this Agreement.

1.2 Name. The business of the Company will be conducted under the name ALFA, LLC.

1.3 Purpose. The purpose of the Company is owning, managing, operating and/or leasing real property and engaging in any lawful activities (the "Business").

1.4 Office. The Company maintains its principal business office in Oregon at 6149 SW Shattuck Road, Portland, Oregon 97221.

1.5 Registered Agent. Cary R. Cadonau will be the Company's initial registered agent in Oregon and the registered office will be at 1200 SW Main Street, Portland, Oregon 97205.

1.6 Term. The term of the Company commenced on the Effective Date, and will continue until terminated as provided in this Agreement.

1.7 Names and Addresses of Members. The Members' names and addresses are:

Carl H. Cadonau, Jr.
6149 SW Shattuck Rd
Portland, OR 97221

Anita Jean Cadonau-Huseby
160 Westfield Circle
Danville, CA 94526

Barbara Carroll Deeming
7560 SW 82nd Avenue
Portland, OR 979223

Roderick Carl Birkland
6149 SW Shattuck Rd
Portland, OR 97221

Wendell Raymond Birkland
661 SW Regency Terrace
Portland, OR 97225

Cadonau-Charter Limited Partnership
6149 SW Shattuck Road
Portland, OR 97221

1.8 Admission of Additional Members. Except as otherwise expressly provided in this Agreement, no additional members may be admitted to the Company without the prior written consent of the Members pursuant to Section 4.2.

2. Capital Contributions.

2.1 Initial Capital Contributions. The Members shall make the following initial contributions to the Company (or to a subsidiary of the Company): (1) all of their interests in Alpenrose Farm II, L.L.C., an Oregon limited liability company, to be renamed Alfa Shattuck, LLC; (2) all of their interests in that certain property located at 10543 SE Fuller Road Milwaukee, Oregon; (3) all of their interests in that certain property located at 2731 SE Belmont Street Portland, Oregon; (4) all of their interests in that certain property located at 1225 NE Hogan Drive Gresham, Oregon; (5) all their interest in that certain promissory note dated June 15, 2009 between Alquip Company and Ke-Chen Yuan including the associated security interest in the real property located at 543 NE 181st Ave Gresham, Oregon; and (6) $526,150.21 in cash. The foregoing contribution will result in the LLC owning 100% of the foregoing real estate interests, including, indirectly, all of the assets and liabilities of Alpenrose Farm II, L.L.C. including all cash, all debt owed to Alpenrose Dairy, Inc., and the following real estate interests: (5) 6 parcels of real property located at 6149 SW Shattuck Road, Portland, Oregon; and (6) 1 parcel of real property located at 4905 SW Griffith Drive, Beaverton, Oregon.

2.2 Additional Capital Contributions. Additional capital contributions may be made only on the prior consent of all Members and in such amounts and proportions as the Members mutually agree.

2.3 Membership Percentages. Each Member's percentage interest in the Company (the "Membership Percentage") is as follows:

Carl H. Cadonau, Jr.	12.72%
Anita Jean Cadonau-Huseby	12.72%
Barbara Carroll Deeming	12.72%
Roderick Carl Birkland	25.00%
Wendell Raymond Birkland	25.00%
Cadonau-Charter Limited Partnership	11.84%

2.4 No Interest on Capital Contributions. The Members are not entitled to interest or other compensation for their capital contributions except as expressly provided in this Agreement.

3. Allocation Of Profits And Losses; Provisions For Distributions.

3.1 Definitions. Capitalized terms used in this Section 3 have the meanings given in *Exhibit A*.

3.2 Allocation of Profits and Losses. Subject to the special allocations and limitations set forth in Section 3.4 and *Exhibit B*, the Profits and Losses of the Company for each Allocation Period will be allocated among the Members as follows:

3.2.1 Losses. Losses will be allocated among the Members as follows:

(a) Losses will be allocated among the Members pro rata in proportion to their respective Membership Percentages.

(b) The Losses allocated pursuant to Section 3.2.1(a) may not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Period. If some but not all of the Members

would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 3.2.1(a), the limitation set forth in this section will be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member under Treasury Regulation §1.704-1(b)(2)(ii)(d).

(c) All Losses in excess of the limitations set forth in Section 3.2.1(b) will be allocated to those Members (if any) that have a positive Capital Account Balance, and allocated among them pro rata in proportion to their respective positive Capital Account balances, and thereafter to all the Members in accordance with their interests in the Company as determined by the Operating Managers in their reasonable discretion.

3.2.2 Profits. Profits will be allocated among the Members as follows:

(a) First, Profits will be allocated to each Member that previously has been allocated Losses pursuant to Section 3.2.1 that have not been fully offset by allocations of Profits pursuant to this section ("Unrecovered Losses") until the cumulative amount of Profits allocated to each such Member pursuant to this section is equal to the cumulative amount of Losses previously allocated to that Member. Profits allocated pursuant to this section will be allocated among such Members pro rata in proportion to their respective Unrecovered Losses.

(b) Next, all remaining Profits will be allocated to the Members pro rata in proportion to their respective Membership Percentages.

3.3 Distribution of Net Cash Flow. Except for liquidating distributions in accordance Section 9, the Net Cash Flow of the Company, if any, will be distributed to the Members at such times and in such amounts as determined by the Operating Managers. All distributions of Net Cash Flow will be allocated among the Members pro rata in proportion to their respective Membership Percentages.

3.4 Special Allocations and Limitations. The Members intend that in general all allocations of Profits and Losses will be pro rata as described in Section 3.2. However, in order to comply with federal income tax regulations regarding the substantial economic effect of Company allocations, in the special circumstances described in such provisions, all allocations of Company Profits or Losses are subject to the special allocations and limitations described in *Exhibit B* to this Agreement.

3.5 Allocations for Income Tax (But Not Capital Account) Purposes.

3.5.1 Contributed Property. If a Member contributes property with an initial Gross Asset Value that differs from its adjusted basis for federal income tax purposes ("Adjusted Tax Basis") at the time of contribution, income, gain, loss, and deductions with respect to the property will, solely for federal income tax purposes, be allocated among the Members in accordance with Internal Revenue Code (IRC) §704(c)(1)(A) and Treasury Regulation §1.704-1(b)(2)(iv)(d) so as to take account of any variation between the Adjusted Tax Basis of the property to the Company and its Gross Asset Value at the time of contribution.

3.5.2 Revalued Property. If the Gross Asset Value of any Company asset is adjusted pursuant to the definition of *Gross Asset Value* (set forth in *Exhibit A* to this Agreement), subsequent allocations of income, gain, loss, and deduction with respect to that asset will, solely for federal income tax purposes, take account of any variation between the Adjusted Tax Basis of the asset and its Gross Asset Value in the same manner as under IRC §704(c) and the Treasury Regulations under IRC §704(c).

3.5.3 Allocation Methods. Any elections or other decisions relating to allocations pursuant to subsection 3.5.1 or 3.5.2 of Section 3.5 will be made by the Operating Managers in any manner that reasonably reflects the purpose and intention of this Agreement.

3.5.4 Distributions of Contributed Property.

(a) Pursuant to IRC §704(c)(1)(B), if any contributed property is distributed by the Company to any Member other than to the contributing Member within seven years of being contributed, then, except as provided in IRC §704(c)(2), the contributing Member will, solely for federal income tax purposes, be treated as recognizing gain or loss from the sale of that property in an amount equal to the gain or loss that would have been allocated to that Member under IRC §704(c)(1)(A) if the property had been sold at its fair market value at the time of the distribution.

(b) If the Company makes any distribution of property (other than money) to a Member within seven years after that Member contributed property (other than money) to the Company, the Member will, solely for federal income tax purposes, be treated as recognizing gain in an amount equal to the lesser of:

(i) the excess (if any) of the fair market value of the property (other than money) received in the distribution over the adjusted basis of the Member's Membership Percentage immediately before the distribution reduced (but not below zero) by the amount of money received in the distribution; or

(ii) the Member's Net Precontribution Gain (as defined in IRC §737(b)). The Net Precontribution Gain means the net gain (if any) that would have been recognized by the distributee Member under IRC §704(c)(1)(B) if all property that had been contributed to the Company within seven years of the distribution, and was held by the Company immediately before the distribution, had been distributed by the Company to another Member. If any portion of the property distributed consists of property that had been contributed by the distributee Member to the Company, then that property will not be taken into account under Section 3.5.4(b) and will not be taken into account in determining the amount of the Net Precontribution Gain. If the property distributed consists of an interest in an entity, the preceding sentence will not apply to the extent that the value of the interest is attributable to the property contributed to the entity after the interest had been contributed to the Company.

3.5.5 Recapture. All recapture of income tax deductions resulting from the sale or disposition of Company property will be allocated to the Members to whom the deduction that gave rise to such recapture was allocated under this Agreement to the extent that such Member is allocated any gain from the sale or other disposition of that property.

3.5.6 Effect of Tax Allocations. Allocations pursuant to Section 3.5 are solely for purposes of federal, state, and local income taxes and will not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, or distributions pursuant to any provision of this Agreement.

3.6 No Right to Demand Return of Capital. No Member will have any right to any distribution except as expressly provided in this Agreement. No Member will have any drawing account in the Company.

3.7 Transfer of Membership Interest by Member During Fiscal Year. If, after compliance with the requirements of Section 7, any Member during any fiscal year of the Company transfers any Membership Interest by sale, exchange, transfer, assignment, gift, death, or operation of law, or in any other manner, the Profits or Losses of the Company allocable to the transferred Membership Interest will be prorated between the transferor and the transferee in accordance with the number of days during the fiscal year that each party owned the Membership Interest; but the Profits or Losses realized by the Company from an insurance recovery or a condemnation award will be allocated to the owner of the Membership Interest on the date of the transaction.

4. Powers and Duties of Members.

4.1 Management of Company Business. The Company is a member-managed limited liability company. The management and control of the Company and its business and affairs are vested exclusively in the Members. The Company does not have "managers," as that term is used in the LLC Act.

4.1.1 Operating Managers. Notwithstanding Section 4.1, the Members agree among themselves that, except as otherwise provided in Section 4.2, the right to manage the day-to-day operations of the Company rests exclusively in Carl H. Cadonau, Jr. and Roderick Carl Birkland (the "Operating Managers"). Any Operating Manager may only be an individual and each Operating Manager holds all rights and powers independently and equally but Operating Managers must act as a group for any decision that has a financial impact to the Company in excess of one hundred thousand dollars ($100,000.00). Consistent with and subject to the foregoing, the Operating Managers have all the rights and powers that may be possessed by a manager in a limited liability Company with managers pursuant to the LLC Act and those rights and powers that are otherwise conferred by law or are necessary, advisable, or convenient to the discharge of the Members' duties under this Agreement and to the management of the Business and affairs of the Company. Without limiting the generality of the foregoing, and subject to the limitations set forth in Section 4.2 of this Agreement, the Operating Managers have the following rights and powers (which they may exercise at the cost, expense, and risk of the Company):

(a) To expend the funds of the Company in furtherance of the Company's business.

(b) To perform all acts necessary to manage and operate the Business, including engaging such persons as the Operating Managers deem advisable to manage the Business.

(c) To execute, deliver, and perform on behalf of and in the name of the Company any and all agreements and documents deemed necessary or desirable by the Operating Managers to carry out the Business, including any lease, deed, easement, bill of sale, mortgage, trust deed, security agreement, contract of sale, or other document conveying, leasing, or granting a security interest in the interest of the Company in any of its assets, or any part thereof, whether held in the Company's name, the name of a Member, Operating Manager, or otherwise. No other signature or signatures are required.

(d) To borrow or raise money on behalf of the Company in the Company's name or in the name of the Members or Operating Managers for the benefit of the Company and, from time to time, to draw, make, accept, endorse, execute, and issue promissory notes, drafts, checks, and other negotiable or nonnegotiable instruments and evidences of

indebtedness, and to secure the payment thereof by mortgage, security agreement, pledge, or conveyance or assignment in trust of the whole or any part of the assets of the Company, including contract rights.

(e) To buy or otherwise acquire any assets for and on behalf of the Company.

(f) To sell or otherwise dispose of any assets owned by the Company.

4.2 Limitation on Authority of Members and Operating Managers. Notwithstanding any other provision of this Agreement or the LLC Act, no Member or Operating Manager is authorized to amend the Company's Articles of Organization or this Agreement without the prior express approval or consent of all Members. In addition, no Member or Operating Manager is authorized to take any of the following actions without the prior express approval or consent of Members owning at least seventy-five percent (75%) of the Membership Percentages:

(a) Dissolve the Company;

(b) Merge the Company with another entity or convert the Company into a different type of entity; or

(c) Sell or otherwise transfer the Company's property located at 6149 SW Shattuck Road, Portland, Oregon; provided, however, the Operating Managers may transfer such property to any entity solely owned by the Company without the consent of the Members.

Furthermore, no Member or Operating Manager is authorized to take any of the following actions without the prior express approval or consent of Members owning more than fifty percent (50%) of the Membership Percentages:

(d) Admit a new Member; or

(e) Electing or removing an Operating Manager.

All voting rights of Members must be held by a person who member of the Cadonau or Birkland family lines (defined in Section 7.3.2). The individual holding voting rights for the Membership interest of any entity type Member shall be selected by such Member by at least ten (10) days prior written notice to Company stating the name of the individual that will be holding voting rights for the Member. The initial holder of the voting rights of the Membership interest of the Cadonau-Charter Limited Partnership shall be Carl H. Cadonau, Jr.

4.3 Duties of the Operating Managers. The Operating Managers will manage and control the Company's business and affairs to the best of their ability and will use their best efforts to carry out the Business. The Operating Managers will devote such time to the business and affairs of the Company as is reasonable, necessary, or appropriate. Whenever reasonably requested by any Member, the Operating Managers will render a full and complete accounting of all dealings and transactions relating to the Business. Each Operating Manager will have a fiduciary responsibility for the safekeeping and use of all funds and assets of the Company, whether or not in his or her immediate possession or control, and the Operating Managers may not employ or permit another person to use those funds or assets in any manner except for the exclusive benefit of the Company.

4.4 Limitation on Liability of Members and Operating Managers. Subject to the restrictions in Section 4.6, no Member or Operating Manager will have any liability to the Company or to any Member for any loss suffered by the Company or the other Members that arises out of any action or inaction of the Member or Operating Managers as long as the Member's or Operating Manager's conduct was in good faith and the Member or Operating Manager reasonably believed that the conduct was in the best interests of the Company.

4.5 Indemnification of Members and Operating Managers. Each Member and Operating Manager will be indemnified by the Company against any losses, judgments, liabilities, expenses, and amounts paid in settlement of any claims sustained against the Company or against the Member or Operating Manager in connection with the Company, as long as the Member's or Operating Manager's conduct was in good faith and the Member reasonably believed that the conduct was in the best interests of the Company. The satisfaction of any indemnification and any saving harmless will be out of, and limited to, Company assets, and no Member or Operating Manager will have any personal liability on account of such indemnification.

4.6 Restrictions. No Member or Operating Manager will be relieved of liability pursuant to Section 4.4 or be entitled to indemnification pursuant to Section 4.5 for:

(a) Any breach of the Member's or Operating Manager's duty of loyalty to the Company;

(b) Any acts or omissions not in good faith that involve intentional misconduct or a knowing violation of law;

(c) Any unlawful distribution to the Members in violation of ORS 63.235; or

(d) Any transaction from which the Member or Operating Manager derives an improper personal benefit.

4.7 Other Business. Nothing in this Agreement will be deemed to restrict in any way the freedom of any Member or Operating Manager to conduct any other business or activity, even if that business or activity competes with the Business of the Company. As authorized by ORS 63.155(11), the Members mutually agree that neither of the following activities will constitute a breach of a Member's duty of loyalty to the Company and the Members:

(a) Competing with the Company in the course of the Business; or

(b) Entering into or engaging in, for a Member's or Operating Manager's own account, an investment, business, transaction, or activity that is similar to the investments, businesses, transactions, or activities of the Company (a "Similar Activity") without first offering the Company or the other Members an opportunity to participate in the Similar Activity or having any obligation to account to the Company or the other Members for the Similar Activity or the profits from the Similar Activity.

4.8 Loans. Any Member or Operating Manager may, but will not be obligated to, make loans to the Company to cover the Company's cash requirements and those loans will bear interest at a rate mutually determined by the Operating Managers.

4.9 Dealing with the Company. Any Member or Operating Manager may deal with the Company by providing or receiving property and services to or from the Company, and may receive from others or the Company normal profits, compensation, commissions, or other income incident to those dealings, but the Member or Operating Manager must first obtain written consent from the other Operating Managers for those dealings.

4.10 Liability of the Members and Operating Managers for Company Obligations. Except to the limited extent provided in the LLC Act, no Member or Operating Manager will have any personal liability for any Company obligation, expense, or liability. The Members will not, without their consent, be required to make any capital contribution beyond their mutually agreed on capital contributions as expressly described in Section 2.1.

5. Compensation and Reimbursement of Expenses.

5.1 Organization Expenses. The Company will pay all expenses incurred in connection with organization of the Company.

5.2 Other Company Expenses. The Operating Managers may charge the Company for their actual out-of-pocket expenses incurred in connection with the Company's Business. Any amounts paid by the Operating Managers to satisfy obligations of the Company will be treated as loans to the Company under Section 4.8.

5.3 Compensation. The Company may pay the Operating Managers reasonable compensation (as the Members mutually determine in good faith) for services actually performed in operating the Business.

6. Books of Account; Accounting Reports; Tax Returns; Fiscal Year; Banking.

6.1 Books of Account. The Company's books and records, a register showing the names of the Members and the respective interests held by each of them, and this Agreement will be maintained at the principal office of the Company. The Members will have access to those books and records at all reasonable times. The Operating Managers will keep and maintain books and records of the operations of the Company that are appropriate and adequate for the Company's Business and for carrying out this Agreement.

6.2 Accounting Reports. The Members will be furnished with copies of internally prepared financial statements of the Company.

6.3 Tax Returns. The Operating Managers will cause all federal and state income tax returns for the Company to be prepared and timely filed with the appropriate authorities as necessary. As soon as practicable after the end of each taxable year, each Member will be furnished with a statement that may be used by the Member in preparing the Member's income tax returns, showing the amounts of any distributions, gains, profits, losses, or credits allocated to or against the Member during the fiscal year.

6.4 Fiscal Year; Taxable Year. The fiscal year and the taxable year of the Company is the calendar year.

6.5 Banking. All funds of the Company must be deposited in a separate bank account or in an account or accounts of a savings and loan association in the Company's name as the Operating Managers determine. Those funds may be withdrawn from the account or

accounts on the signature of the person or persons who are designated by the Operating Managers.

6.6 Capital Accounts.

6.6.1 General. The Company will maintain a Capital Account for each Member on a cumulative basis in accordance with the following provisions:

(a) Each Member's Capital Account will be increased by the following items:

(i) the amount of money and the Gross Asset Value (as defined in *Exhibit A* to this Agreement) of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company assumes or is considered to assume or take subject to under IRC §752); and

(ii) the Member's distributive share of Profits and any items in the nature of income or gain that are specially allocated to the Member pursuant to paragraph 2, 3, 4, or 5 of *Exhibit B* to this Agreement.

(b) Each Member's Capital Account will be decreased by the following items:

(i) the amount of money and the Gross Asset Value of any Company asset (net of liabilities secured by such distributed property that the Member assumes or is considered to assume or take subject to under IRC §752) distributed to the Member pursuant to any provision of this Agreement; and

(ii) the Member's distributive share of Losses and any items in the nature of expenses or losses that are specially allocated to the Member pursuant to paragraph 2, 3, 4, or 5 of *Exhibit B* to this Agreement;

(c) If all or a portion of a Member's Membership Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent that it relates to the transferred Membership Interest.

6.6.2 Compliance with Treasury Regulations. The provisions of Section 6.6 and the other provisions of this Agreement (including its exhibits) relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation §1.704-1(b), and will be interpreted and applied in a manner consistent with that regulation. If the Operating Managers determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits to Capital Accounts (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or a Member), are computed in order to comply with the Treasury Regulation, the Operating Managers may make that modification as long as the modification is not likely to have a material effect on the amounts distributed to any Member pursuant to Section 9 of this Agreement on the dissolution of the Company. The Operating Managers also may (a) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Treasury Regulation §1.704-1(b)(2)(iv)(q), and (b) make any appropriate modifications if unanticipated events might otherwise cause this Agreement to fail to comply with Treasury Regulation §1.704-1(b).

6.6.3 Effect of ORS 63.185(4). The adjustments to the Members' Capital Accounts resulting from the definitions of Gross Asset Value and Profits and Losses are intended by the Members to be in lieu of the adjustments described in ORS 63.185(4).

6.6.4 No Deficit Restoration Obligation. Except as otherwise expressly required in the LLC Act, no Member will have any liability to restore all or any portion of a deficit balance in the Member's Capital Account.

6.7 Tax Matters Partner. Member Carl H. Cadonau, Jr. is designated the Company's Tax Matters Partner ("TMP") as defined in IRC §6231(a)(7). The TMP and the other Members will use their reasonable efforts to comply with the responsibilities outlined in IRC §§6221–6234 (including any Treasury Regulations promulgated under those sections), and in doing so will incur no liability to any other Member.

7. Transfer Of Membership Interest.

7.1 General Restriction. Except as expressly set forth in this Agreement, no Member will have the right to sell, assign, transfer, pledge, mortgage, or otherwise dispose or encumber ("Transfer") all or any portion of the Member's interest in the Company and no assignee or other person may become a Member of the Company without the prior approval of the Members. Any Member may withhold such approval in the Member's sole and absolute discretion. Any purported Transfer in violation of this Agreement will be null and void.

7.2 Permitted Transfers. Notwithstanding Section 7.1, a Member may Transfer all or any portion of the Member's interest in the Company to (1) biological lineal descendants of the Member that is also a member of the Cadonau or Birkland family lines (defined in Section 7.3.2); and (2) revocable estate planning trusts of the Member provided the Member or his or her lineal descendant is the trustee of the trust and are a member of the Cadonau or Birkland family lines (defined in Section 7.3.2) (each, a "Permitted Transferee").

7.3 Right of First Refusal.

7.3.1 Transfer Notice. If a Member proposes to Transfer an interest in the Company to a person who is not already a Member or a Permitted Transferee, the Member (the "Transferring Member") must first give a written notice (a "Transfer Notice") to the Company setting forth:

(a) The name of the proposed transferee (the "Transferee"); and

(b) The purchase price and payment terms for the proposed Transfer (the "Transfer Terms").

7.3.2 Transfer Option. For a period of one hundred twenty (120) days after actual receipt of a Transfer Notice (the "Option Period"), the following parties, in order, will have the option (the "Transfer Option"), but not the obligation, to purchase all or any portion of the interest in the Company for the Transfer Terms or the price and payment terms as provided in Section 7.9, at the purchasers option: (1) biological lineal descendants of the Member that is a member of the Cadonau or Birkland family lines; (2) a biological family member in the same family line (Cadonau or Birkland) with first preference given to siblings of the Member, then to successive generations; (3) any biological family member in the Cadonau or Birkland family line with preference to family members within the same generation of Member, then to successive generations; and (4) the Company (each, an "Option Holder"). For purposes of the foregoing,

the Cadonau family line means the children of Carl Cadonau, Sr. and their biological lineal descendants, and the Birkland family line means the children of Anita Birkland and their biological lineal descendants. Member Cadonau-Charter Limited Partnership shall also be considered in the Cadonau family line.

If the Transfer Terms provide for a gift or consideration other than cash, the price and payment terms with respect to the Transfer Option will be as provided in Section 7.9.

7.3.3 Sale. If no Option Holder exercises the Transfer Option during the Option Period, the Transferring Member may complete the proposed Transfer described in the Transfer Notice as long as:

(a) The Transfer is for the same interest in the Company, the same Transferee, and the same Transfer Terms as described in the Transfer Notice;

(b) The Transfer is completed within thirty (30) days after the expiration of the Option Period; and

(c) The Transferee signs a counterpart of and agrees to be bound by this Agreement. Otherwise, the Transferring Member must again comply with the provisions of Section 7 before Transferring its interest in the Company. Such a Transfer will be subject to Section 7.7.

7.4 Dissolution or Death of a Member. On the dissolution or death of any Member, if such dissolution or death does not effect a transfer to a Permitted Transferee, the Options Holders, in the order set forth in Section 7.3.2, will have the option to purchase the interest in the Company held by the dissolving or deceased Member at the price and pursuant to the terms described in Section 7.9. This option may be exercised by the Option Holders at any time within one hundred twenty (120) days after the dissolution or death of the Member. If no Option Holder exercises the option, the interest in the Company held by the dissolved or deceased Member may be Transferred to the owners of the dissolved Member, or heirs of the deceased Member, provided such owners or heirs sign a counterpart of and agrees to be bound by this Agreement. Such a Transfer will be subject to Section 7.7.

7.5 Call Right For Certain Actions. The Options Holders, in the order set forth in Section 7.3.2, will have the option to purchase the interest in the Company held by a Member in the event the Member is convicted of a felony or has, as determined by Members owning more than fifty percent (50%) of the Membership Percentages, engaged in wrongful conduct that adversely and materially affects the business or affairs of the Company, or has willfully and persistently committed a breach of the Articles or this Agreement, or otherwise has breached a duty owed to the Company or the other Members, to the extent that it is not reasonably practicable to carry on the business or affairs of the Company with the Member. The option shall be at the price and pursuant to the terms described in Section 7.9. This option may be exercised by the Option Holders at any time within one (1) year after the action giving rise to the option. If no Option Holder exercises the option, the interest in the Company held by such Member will continue to be owned by such Member.

7.6 Other Involuntary Transfer. If, as a result of or in connection with the bankruptcy or similar insolvency proceeding against any Member, any proceeding by or on behalf of a creditor of any Member, or as a result of or in connection with the legal separation of two people or termination or annulment of a marriage, civil union, or domestic partnership, all or any portion of the interest in the Company held by the Member would otherwise be involuntarily

Transferred to a third party who is not already a Member or a Permitted Transferee, the Options Holders, in the order set forth in Section 7.3.2, will have the option to purchase the portion of the interest in the Company that would otherwise be Transferred to the third party for the price and pursuant to the payment terms described in Section 7.9. This option may be exercised by the Option Holder(s) at any time within sixty (60) days after the Company receives actual knowledge of the proposed Transfer. If no Option Holder exercises the option, the interest in the Company may be retained by the third-party transferee subject to the provisions of Section 7.7.

7.7 Effect of Transfer. A transferee of an interest in the Company pursuant to Section 7.3.3, 7.4 or 7.6, when the Transfer occurs because no Option Holder exercised the option described in those sections, will be treated as an assignee of the economic rights entitled to the capital and profits interest represented by the Transferred interest in the Company. However, such transferee will not have voting rights or any other rights of a Member under the LLC Act or this Agreement unless the transferee is admitted to the Company as a substitute Member. The transferee (or transferees) may become a Substituted Member or Members with respect to the Transferred interest in the Company only on:

(a) Approval of the Members as provided in Section 7.1, which approval may be withheld in their sole discretion; and

(b) Execution of a counterpart of this Agreement, as amended through the date of the Transfer, pursuant to which the transferee (or transferees) agrees to be bound by the terms and conditions of this Agreement.

Whether or not the transferee (or transferees) is admitted as a Substituted Member, the Transferred interest in the Company will remain subject to all the provisions of this Agreement, including the restrictions in Section 7.

7.8 Voluntary Withdrawal. If a Member voluntarily withdraws as a Member pursuant to Section 8, the Options Holders, in the order set forth in Section 7.3.2, will have the option to purchase that Member's interest in the Company for the price and pursuant to the payment terms described in Section 7.9. This option may be exercised by the Option Holders at any time during the twelve (12) month period after the Member's notice pursuant to Section 8. After such period, the Member may transfer its interest as otherwise provided herein.

7.9 Purchase Price and Payment.

7.9.1 Purchase Price. On exercise by the Company (or the Member or Members, if any, to whom the Company has assigned the option) of an option pursuant to Section 7.3.2, 7.4, 7.5, 7.6 or 7.8, the purchase price for the interest in the Company being purchased will be the book value of the Member's interest in the Company (the "Member's Book Value"). The Member's Book Value will be determined by valuing the interest in the Company owned by the Member by multiplying the Membership Percentage by the Company Book Value. The "Company Book Value" shall be determined by adding the value of all Company non-cash assets (as determined by adding the assets original cost and any assets improvement cost then subtracting any depreciation) and the cash value of Company bank accounts less any incurred debt of Company. The Member's Book Value of the interest in the Company to be purchased will be determined by agreement between the Company and the Member (or the Member's representative), based on the foregoing description of Member's Book Value. If the Company and the Member (or the Member's representative) cannot agree on the Member's Book Value within thirty (30) days, the Member's Book Value will be determined by an audit of Company

books by a third-party Certified Public Accountant acceptable to both the Company and the Member (or the Member's representative). The Member's Book Value as determined by the audit will be final and binding on all parties and their respective successors, assigns, and representatives. The costs and expenses of the audit will be shared equally by the Company and the Member.

7.9.2 Payment. The purchase price determined under Section 7.9.1 will be payable, together with interest at the prime rate then in effect at the Company's primary bank, in sixty (60) substantially equal monthly installments of principal and interest commencing not later than ninety (90) days after the date of exercise. The purchaser will have the right, but not the obligation, to prepay the purchase price at any time. The deferred purchase obligation will be an unsecured obligation of the Company or the purchasing Member or Members.

8. Voluntary Withdrawal. Any Member may voluntarily withdraw as a Member on upon twelve (12) months' prior written notice to the Company. After the issuance of the foregoing notice such Member (the "Withdrawing Member") will be treated as an owner of only the economic rights entitled to the capital and profits interest represented by the Member's interest in the Company but will not have voting rights or any other rights of a Member under the LLC Act or this Agreement.

9. Dissolution and Winding up of the Company.

9.1 Dissolution. The Company will be dissolved on the occurrence of any of the following events:

(a) The approval of the Members pursuant to Section 4.2; or

(b) Otherwise by operation of law.

9.2 Winding Up. On the dissolution of the Company, the Operating Managers will take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed in the following order, after any Profits or Losses realized in connection with the liquidation have been allocated in accordance with Section 3 of this Agreement, and the Members' Capital Accounts have been adjusted to reflect that allocation and all other transactions through the date of distribution:

(a) To payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities, including those owed to Members Operating Managers; and

(b) To Members in the amount of their respective adjusted positive Capital Account balances on the date of distribution; and

(c) To the Members and allocated among them pro rata in proportion to their respective Membership Percentages.

9.3 Distribution in-Kind.

9.3.1 General. If practicable, and if consented to by the Members, in lieu of liquidating all or some of the assets of the Company the Operating Managers may distribute some or all of the assets of the Company to the Members in-kind and, to facilitate the distribution, may create

tenancies in common or other concurrent ownership interests in Company properties. If tenancies in common or other concurrent ownership interests are created, the Members mutually agree to waive any and all rights of partition with respect to the tenancies or interests. Company assets to be distributed in-kind on dissolution of Company will be distributed to the Members in accordance with Sections 9.2 and 9.3.2.

9.3.2 Deemed Liquidation Profits or Losses. If Company assets are to be distributed in-kind on the liquidation and winding up of the Company, the Operating Managers will adjust, subject to approval of the Members, the Gross Asset Value of the Company's assets to be distributed to reflect their fair market value as of the date of distribution, and the Members' respective Capital Accounts will be adjusted to reflect the manner in which the deemed Profits or Losses that would have been recognized by the Company if the assets were sold for such Gross Asset Values would have been allocated under Section 3.2. After such adjustments, all Company assets, including the assets to be distributed in-kind and the proceeds of assets sold in liquidation, will be distributed pursuant to Section 9.2 in accordance with the Members' adjusted Capital Accounts (with reference to the Gross Asset Values assigned to those unsold properties).

9.4 Completion of Winding Up. On completion of the winding up, liquidation, and distribution of assets as provided in Section 9, the Company will be deemed terminated. The Operating Managers will comply with any filings or other applicable requirements under the LLC Act with respect to winding up the affairs of and dissolution of the Company.

10. Miscellaneous Provisions.

10.1 Application of Oregon Law. This Agreement shall be governed exclusively by its terms and by the laws of the State of Oregon.

10.2 Jurisdiction/Venue. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought against any of the parties in Multnomah County, Oregon, or, subject to applicable jurisdictional requirements, in the United States District Court for the District of Oregon, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to such venue. All acts or actions of any person who is a party to this Agreement shall be deemed to have occurred in the State of Oregon. The acquisition and/or disposition of and interest in the Company by a Member shall be deemed to occur within the State of Oregon.

10.3 Construction. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "including" or "include" shall mean including without limitation. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

10.4 Execution of Additional Instruments. Each Member agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules, or regulations.

10.5 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement.

10.6 Heirs, Successors, and Assigns. Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their heirs, representatives, successors, and assigns.

10.7 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the person or to an executive officer of the person to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the person's and/or Company's address, as appropriate, which is set forth in this Agreement. Notices or other communications may also be given by facsimile or electronic mail, provided that the person to be given notice by such means has provided the Company the person's facsimile number or electronic mail address, as the case may be. Except as otherwise provided herein, any such notice shall be deemed to be given on the earliest of (a) the date of personal delivery, (b) three (3) business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid, (c) the date of receipt of confirmation of transmission by facsimile, or (d) the date of delivery of electronic mail to the recipient's internet service provider without notice of failure in transmission. The address to which notices or other communications shall be mailed and a party's facsimile number or electronic mail address may be changed by a party from time to time by giving ten (10) days prior written notice thereof to the Company.

10.8 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

10.9 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not constitute a waiver of such provision, and no waiver of any provision shall be deemed, or constitute, a waiver of any other provision, whether or not similar, nor constitute a continuing waiver unless it is expressly stated so in writing.

10.10 Entire Agreement. This Agreement and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter hereof.

10.11 Attorneys Fees. If any arbitration, suit, or action is instituted to interpret or enforce the provisions of this Agreement, to rescind this Agreement, or otherwise with respect to the subject matter of this Agreement, the party prevailing on an issue will be entitled to recover with respect to such issue, in addition to costs, reasonable attorney fees incurred in the preparation, prosecution, or defense of such arbitration, suit, or action as determined by the arbitrator or trial court, and if any appeal is taken from such decision, reasonable attorney fees as determined on appeal.

10.12 Representation. This Agreement was prepared by the law firm of Brownstein, Rask, Sweeney, Kerr, Grim, DeSylvia & Hay, LLP, which represents the Company only in this

matter. The Members each acknowledge that they have been advised of these facts and the significance of them and have the right and are encouraged to seek independent legal counsel of their choice regarding their rights and obligations individually under this Agreement.

IN WITNESS WHEREOF, the parties enter into this Agreement as of the date first written above.

MEMBERS:

Carl H Cadonau Jr
Carl H. Cadonau, Jr.

Anita Jean Cadonau-Huseby

Barbara Carroll Deeming
Barbara Carroll Deeming

Roderick Carl Birkland
Roderick Carl Birkland

Wendell Raymond Birkland
Wendell Raymond Birkland

Cadonau-Charter Limited Partnership

By: Cadonau Family Management Trust, General Partner

By: Carl H Cadonau Jr
Carl H. Cadonau, Jr., Trustee

COMPANY:

ALFA, LLC

By: Carl H Cadonau Jr
Carl H. Cadonau, Jr., Operating Manager

By: Roderick Carl Birkland
Roderick Carl Birkland, Operating Manager

EXHIBIT A

DEFINITIONS FOR SECTION 3 OF THE AGREEMENT

(1) "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in the Member's Capital Account as of the end of any Allocation Period, after giving effect to the following adjustments:

(a) Credit to the Capital Account any amounts that the Member is deemed to be obligated to restore pursuant to the penultimate sentences in Treasury Regulations §§1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to the Capital Account any Adjustment Items.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with Treasury Regulation §1.704-1(b)(2)(ii)(d) and will be interpreted consistently with that regulation.

(2) "Adjustment Items" means the adjustments, allocations, and distributions described in Treasury Regulation §1.704-1(b)(2)(ii)(d)(4)–(6).

(3) "Allocation Period" means a fiscal year of the Company or other fiscal period for which the Company allocates Profits, Losses, and other items of Company income, gain, loss, or deduction pursuant to Section 3 of the Agreement.

(4) "Capital Account" means the account maintained for each Member pursuant to Section 6.6 of the Agreement.

(5) "Company Minimum Gain" means the amount of gain, if any, as of any date that would be recognized by the Company for federal income tax purposes, as if it disposed of property in a taxable transaction on that date in full satisfaction of any nonrecourse liability secured by the property, computed in accordance with Treasury Regulation §1.704-2(d)(1).

(6) "Depreciation" means, for each Allocation Period, an amount equal to the depreciation, amortization, or other cost-recovery deduction allowable for federal income tax purposes with respect to an asset for that Allocation Period, but if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the Allocation Period, Depreciation means an amount that bears the same ratio to the beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost-recovery deduction for the Allocation Period bears to the beginning adjusted tax basis; however, if the adjusted basis for federal income tax purposes of an asset at the beginning of the Allocation Period is zero, Depreciation will be determined with reference to the beginning Gross Asset Value using any reasonable method selected by the Operating Managers.

(7) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company will be the gross fair market value of that asset, as determined by the contributing Member and the Operating Managers, provided, however, that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 2.1 will be as set forth in *Exhibit C* to this Agreement;

(b) The Gross Asset Values of all Company assets will be adjusted to equal their respective gross fair market values, as reasonably determined by the Operating Managers, as of the following times:

(i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis capital contribution or money or property;

(ii) the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member (acting in a Member capacity) or by a new Member (acting in a Member capacity or in anticipation of being a Member);

(iii) the distribution by the Company to a Member of more than a de minimis amount of money or property as consideration for all or a portion of a Membership Interest in the Company; and

(iv) the liquidation of the Company within the meaning of Treasury Regulation §1.704-1(b)(2)(ii)(g).
However, adjustments pursuant to clauses (i) through (iii) above will be made only if the Operating Managers reasonably determine that the adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member will be adjusted to equal the gross fair market value of the asset on the date of distribution (taking into account the requirements of IRC §7701(g), dealing with clarification of the fair market value of property that is subject to nonrecourse indebtedness) as determined by the distributee and Operating Managers; and

(d) The Gross Asset Values of Company assets will be increased (or decreased) to reflect any adjustments to the adjusted basis of the assets pursuant to IRC §734(b) or §743(b), but only to the extent that those adjustments are required to be taken into account in determining Capital Accounts pursuant to Treasury Regulation §1.704-1(b)(2)(iv)(m); however, the Gross Asset Values will not be adjusted pursuant to this paragraph (d) of this definition to the extent that the Operating Managers reasonably determine that an adjustment pursuant to paragraph (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraph (a), (b), or (d) of this definition, the Gross Asset Value will thereafter be adjusted by Depreciation taken into account with respect to the asset for purposes of computing Profits or Losses.

(8) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(9) "Member Nonrecourse Debt" has the same meaning as "partner nonrecourse debt" set forth in Treasury Regulation §1.704-2(b)(4).

(10) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if that Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined pursuant to Treasury Regulation §1.704-2(i)(2)–(3).

(11) "Member Nonrecourse Deductions" has the same meaning as "partner nonrecourse deductions" set forth in Treasury Regulation §1.704-2(i)(2). The amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a Company Allocation Period equals the excess, if any, of (a) the net increase, if any, in the amount of the Company Minimum Gain attributable to such Member Nonrecourse Debt during the Allocation Period over (b) the aggregate amount of any distribution during the Allocation Period to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent that the distributions are from proceeds of the Member Nonrecourse Debt and are allocable to an increase in Member Nonrecourse Debt Minimum Gain attributable to the Member Nonrecourse Debt, determined pursuant to Treasury Regulation §1.704-2(i).

(12) "Net Cash Flow" means, for any given fiscal period of the Company, the amount by which (a) the gross cash receipts received by the Company during that fiscal period exceed (b) the sum, without duplication, of (i) all cash operating expenses of the Company during that fiscal period, (ii) debt service payments made during that fiscal period on all indebtedness of the Company, (iii) payments made during that fiscal period on account of the maintenance, leasing, repair, replacement, or improvement of property of the Company, and (iv) all amounts allocated during that fiscal period, in the reasonable judgment of the Operating Managers, to reserves established to meet the reasonable needs of the business, including working capital and capital improvement requirements and for reserves for unknown or unfixed liabilities or contingencies of the Company.

(13) "Nonrecourse Deductions" has the meaning set forth in Treasury Regulation §1.704-2(c). The amount of Nonrecourse Deduction for a Company Allocation Period equals the excess, if any, of the net increase, if any, in the amount of Company Minimum Gain during that Allocation Period over the aggregate amount of any distributions during that Allocation Period of proceeds of a Nonrecourse Liability that are allocable to an increase in Company Minimum Gain, determined pursuant to Treasury Regulation §1.704-2(c).

(14) "Nonrecourse Liability" has the meaning set forth in Treasury Regulation §1.704-2(b)(3).

(15) "Profits" and "Losses" means, for each Allocation Period, an amount equal to the Company's taxable income or loss for such Allocation Period, determined in accordance with IRC §703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to IRC §703(a)(1) will be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from federal income taxation and that is not otherwise taken into account in computing Profits or Losses pursuant to this definition will be added to the taxable income or loss;

(b) Any expenditures of the Company described in IRC §705(a)(2)(B) or treated as IRC §705(a)(2)(B) expenditures pursuant to Treasury Regulation §1.704-1(b)(2)(iv)(i), and that are not otherwise taken into account in computing Profits or Losses pursuant to this definition will be subtracted from the taxable income or loss;

(c) If the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (b) or (c) of the definition of Gross Asset Value, the amount of that adjustment will be taken into account as gain or loss from the disposition of the asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the asset disposed of by the Company, notwithstanding that the adjusted tax basis of the asset differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost-recovery deductions taken into account in computing the taxable income or loss, Depreciation will be taken into account for the Allocation Period, computed as provided in the definition of Depreciation;

(f) To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to IRC §734(b) is required, pursuant to Treasury Regulation §1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's interest in the Company, the amount of that adjustment will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and will be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to *Exhibit B* of this Agreement will not be taken into account in computing Profits or Losses.

EXHIBIT B

SPECIAL ALLOCATIONS AND LIMITATIONS FOR SECTION 3.4 OF THE AGREEMENT

(1) *Company Minimum Gain Chargeback.* Except as otherwise provided in Treasury Regulation §1.704-2(f), notwithstanding any other provision of Section 3 of the Agreement or this Exhibit, if there is a net decrease in Company Minimum Gain during any Company Allocation Period, each Member will be specially allocated items of Company income and gain for the Allocation Period (and, if necessary, subsequent Allocation Periods) in an amount equal to each Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulation §1.704-2(g)(2). Allocations pursuant to the previous sentence will be made in proportion to the respective amounts required to be allocated to each Member pursuant to the previous sentence. The items to be so allocated will be determined in accordance with subsections (f)(6) and (j)(2) of Treasury Regulation §1.704-2(f)(6). This paragraph is intended to comply with, and will be interpreted consistently with, the "minimum gain chargeback" provisions of Treasury Regulation §1.704-2(f).

(2) *Member Nonrecourse Debt Minimum Gain Chargeback.* Except as otherwise provided in Treasury Regulation §1.704-2(i)(4), notwithstanding any other provision of Section 3 of the Agreement or this *Exhibit B*, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulation §1.704-2(i)(5), will be specially allocated items of Company income and gain for such Allocation Period (and, if necessary, subsequent Allocation Periods) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Treasury Regulation §1.704-2(i)(4). Allocations pursuant to the previous sentence will be made in proportion to the respective amounts required to be allocated to each Member pursuant to the previous sentence. The items to be so allocated will be determined in accordance with subsections (i)(4) and (j)(2) of Treasury Regulation §1.704-2(i)(4). This paragraph is intended to comply with, and will be interpreted consistently with, the partner nonrecourse debt minimum gain chargeback provisions of Treasury Regulation §1.704-2(i)(4).

(3) *Qualified Income Offset.* If any Member unexpectedly receives an Adjustment Item for any Allocation Period that results in an Adjusted Capital Account Deficit for that Member, items of Company income and gain will be specially allocated to that Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit created by such Adjustment Item as quickly as possible, but an allocation pursuant to this will be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in Section 3 of the Agreement and this *Exhibit B* have been tentatively made as if this paragraph were not in the Agreement. This Paragraph is intended to comply with, and will be interpreted consistently with, the "qualified income offset" requirements of Treasury Regulation §1.704-1(b)(2)(ii)(d).

(4) *Gross Income Allocation.* If any Member has a deficit Capital Account at the end of any Allocation Period that is in excess of the sum of (a) the amount that such Member is obligated to restore pursuant to the penultimate sentences of subsections (g)(1) and (i)(5) of Treasury Regulation §1.704-2(g)(1), each such Member will be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, but an

allocation pursuant to this paragraph will be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in Section 3 of the Agreement and this Exhibit have been made as if Paragraphs (3) and (4) of this Exhibit were not in the Agreement.

(5) *Nonrecourse Deductions.* Nonrecourse Deductions for any Allocation Period will be specially allocated to the Members in proportion to their respective Membership Percentages.

(6) *Member Nonrecourse Deductions.* Any Member Nonrecourse Deductions for any Allocation Period will be specially allocated to the Member or Members who bear the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulation §1.704-2(i)(1).

(7) *IRC §754 Adjustments.* To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to IRC §734(b) or §743(b) is required, pursuant to subsection (2) or (4) of Treasury Regulation §1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of that Member's interest in the Company, the amount of such adjustment to Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Members in accordance with their interests in the Company if Treasury Regulation §1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made if Treasury Regulation §1.704-1(b)(2)(iv)(m)(4) applies.

(8) *Curative Allocations.* The allocations set forth in Paragraphs (1)–(7) of this Exhibit and in Section 3.2.1(b)–(c) of the Agreement (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Paragraph. Therefore, notwithstanding any other provision of Section 3 of the Agreement or this Exhibit (other than the Regulatory Allocations), the Operating Managers will make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner the Operating Managers determine appropriate so that, after the offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance the Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 3.2 of the Agreement.

EXHIBIT C

INITIAL GROSS ASSET VALUES

Member	Asset & Liabilities from Alquip Company	Asset & Liabilities from Alpenrose Farm II, L.L.C.	Total	Membership Percentage
Roderick Carl Birkland	$793,015.87	$2,555,272.48	$3,348,288.35	25.00%
Wendell Raymond Birkland	$793,015.87	$2,555,272.48	$3,348,288.35	25.00%
Carl Henry Cadonau, Jr.	$0.00	$1,703,514.98	$1,703,514.98	12.72%
Barbara Carrol Deeming	$0.00	$1,703,514.98	$1,703,514.98	12.72%
Anita Jean Cadonau-Huseby	$0.00	$1,703,514.98	$1,703,514.98	12.72%
Cadonau-Charter Limited Partnership	$1,586,031.74	$0.00	$1,586,031.74	11.84%
Total	$3,172,063.48	$10,221,089.90	$13,393,153.38	100.00%

Asset/Liability Description / Real Property Address	Alquip Company	Alpenrose Farm II, L.L.C.	Total
Cash/Bank Account	$526,150.21	$130,186.99	
Inter-Company Account with Alpenrose		($1,214,647.09)	
Promissory Note (543 NE 181st)	$206,452.27		
6149 SW Shattuck Rd (Main Plant)		$8,683,950.00	
6149 SW Shattuck Rd (Empty Lots)		$641,000.00	
4905 SW Griffith Drive Beaverton, OR		$1,980,600.00	
1225 NE Hogan Drive Greshem, OR	$869,510.00		
2731 SE Belmont Street, OR	$1,065,530.00		
10543 SE Fuller Road Milwaukie, OR	$504,421.00		
Total	$3,172,063.48	$10,221,089.90	$13,393,153.38

BYLAWS OF ALPENROSE COMPANY, INC.

Table of Contents

BYLAWS
OF
ALPENROSE COMPANY, INC.

1.0 OFFICES

1.1 The principal office of Alpenrose Company, Inc. shall be located at 6149 SW Shattuck Road, Portland, Oregon 97221. The Board of Directors shall have the power and authority to establish and maintain branch or subordinate offices at any other locations within or without the State of Oregon.

2.0 SHAREHOLDERS

2.1 *Annual Meeting.* The annual meeting of the Shareholders of Alpenrose Company, Inc. shall be held on the second Tuesday of October each year, beginning with the year 1998, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Oregon or on Sunday, such meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day designated herein for any annual meeting of the Shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Shareholders as soon thereafter as is convenient.

2.2 *Special Meetings.* Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than twenty five percent (25%) of all the outstanding shares of the Corporation entitled to vote at the meeting, provided the Shareholders sign, date and deliver to the Corporation's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

2.3 *Place of Meeting.* The Board of Directors may designate any place within or without the State of Oregon, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made the place of meeting shall be at the principal office of the Corporation.

2.4 *Notice of Meeting.* Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each Shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Shareholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

2.5 *Fixing Record Date.* For the purpose of determining Shareholders entitled to notice of, or to vote at, any meeting of Shareholders or any adjournment thereof, or Shareholders entitled to receive payment of any dividend, or to make a determination of Shareholders for any other proper purpose, including for solicitation of proxies, the Board of Directors of the Corporation may fix in advance a date as the record date for any such determination of Shareholders, such date in any event to be not more than seventy (70) days, and in case of a meeting of Shareholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of Shareholders is to be taken.

If no record date is fixed for the determination of Shareholders entitled to notice of, or to vote at, a meeting of Shareholders, or of Shareholders entitled to receive payment of a dividend, the date that notice of the meeting is mailed or the date on which the resolution of the Board of Directors

declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this section, such determination shall apply to any adjournment unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting. After fixing a record date for a meeting, the Board of Directors shall direct the Secretary of the Corporation to prepare an alphabetical list of the names of all its Shareholders who are entitled to a notice of a Shareholders' meeting. The list shall be arranged by voting group (if there are different classes of shares), by class or series, and show the address of and number of shares held by each Shareholder.

2.6 *Quorum.* A majority of the outstanding shares of Alpenrose Company, Inc. entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Shareholders. If less than a majority of such outstanding shares is represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.7 *Proxies.* At all meetings of Shareholders, a Shareholder may vote by proxy executed in writing by the Shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. Any solicitation of proxies by the Directors or management of the Corporation shall be made by mailing the proxies by Certified Mail or providing them to the Shareholder in an alternative acceptable manner at least sixty (60) days before

the date of the meeting for which the proxies are solicited. Each Shareholder as of the record date shall receive a proxy. Proxies shall describe the location and purpose of the meeting and the matter or business for which the proxy is solicited. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

2.8 *Voting of Shares.* Subject to the provisions of any applicable law (or any provision of the Articles of Incorporation regarding separate classes of shares or cumulative voting), each outstanding share entitled to vote shall be entitled to one vote on each matter submitted to a vote at a meeting of the Shareholders.

2.9 *Action of Shareholders by Communications Equipment.* Shareholders may participate in a meeting of Shareholders by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

3.0 BOARD OF DIRECTORS

3.1 *General Powers and Duties.* The business and affairs of Alpenrose Company, Inc. shall be managed by its Board of Directors. All the powers of the Corporation are vested in the Board of Directors unless specifically expressed to be vested in the Stockholders by statute or by the Articles or by these Bylaws. The Board of Directors may elect any member of the Board as Chairman. The Chairman may be an officer. The Chairman shall, if present, preside at all meetings of the Board of Directors. The Chairman shall have such other powers and duties as the Board may prescribe.

3.1.1 The sale, transfer, or disposition or all, or substantially all of the assets of the Corporation shall require the approval of the Board of Directors and the affirmative vote of at least Seventy Five Percent (75%) of the Shareholders entitled to vote.

3.1.2 Any capital improvement in excess of One Hundred Thousand Dollars ($100,000.00) in any fiscal year of this Corporation shall require the approval of the Board of Directors and the affirmative vote of a majority of the Shareholders entitled to vote.

3.2 *Number, Tenure, and Qualifications.* The number of Directors of the Corporation shall be no fewer than two (2) nor more than six (6). The actual number of directors shall be fixed by resolution of the Shareholders entitled to vote. The initial Board of Directors shall consist of six (6) directors. The number of Directors may at any time be increased or decreased by the Shareholders entitled to vote at any regular or special meeting of Shareholders provided that no decrease shall have the effect of shortening the term of any incumbent Director except as otherwise provided in these Bylaws. Directors shall be elected at the annual meeting of Shareholders, and the term of office of each Director shall be until the next annual meeting of Shareholders and the election and qualification of his successor. Directors need not be residents of the State of Oregon and need not be Shareholders of the Corporation.

3.3 *Annual Meeting.* An annual meeting of the Board of Directors shall be held without notice (other than such notice specifically required by these Bylaws) immediately after and at the same place as the annual meeting of Shareholders.

3.4 *Regular Meetings.* The Board of Directors may provide, by resolution, the time and place for holding regular meetings without other notice than such resolution. Regular meetings shall be held at the principal office of the Corporation in the absence of any designation in the resolution.

3.5 *Special Meetings.* Special meetings of the Board of Directors may be called by or at the request of the President or any one (1) Director, and shall be held at the principal office of the Corporation or at such other place as the Directors may determine.

3.6 *Meetings by Communication Equipment.* Any meeting of the Directors may be called and held over telephone or other electronic means, and communication from such a contacted Director constitutes attendance at the meeting so held.

3.7 *Notice.* Notice of any special meeting shall be given at least twenty-four (24) hours before the time fixed for the meeting, by written notice delivered personally or mailed to each Director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid, not less than five (5) days prior to the commencement of the above-stated notice period. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.8 *Quorum.* A majority of the number of Directors fixed by these Bylaws and by resolution of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if a quorum is not present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. The Directors present may continue to transact business, notwithstanding the withdrawal of a Director that would cause a loss of quorum.

3.9 *Board Decisions.* The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. All the powers of the

Corporation are vested in the Board of Directors unless specifically expressed to be vested in the Shareholders by statute or by the Articles or by these Bylaws.

3.10 *Vacancies.* Any vacancy occurring in the Board of Directors including one created by an increase in the number of Directors shall be filled by the affirmative vote of a majority of the Shareholders entitled to vote. A Director elected to fill a vacancy not created by an increase in the number of Directors shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by the affirmative vote of a majority of the Shareholders entitled to vote, for a term of office continuing until the next election of Directors.

3.11 *Compensation.* Directors shall not be compensated for their services on behalf of the Corporation. Notwithstanding the foregoing, by resolution of the Board of Directors, the Directors may be reimbursed for their reasonable out of pocket expenses incurred on behalf of the Corporation, if any, and may be paid a fixed sum for attendance at each meeting of the Board of Directors. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

3.12 *Presumption of Assent.* A Director of Alpenrose Company, Inc. who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent or abstention shall be entered in the minutes of the meeting or unless he shall file his written dissent or abstention to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall deliver such dissent or abstention by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent or abstention shall not apply to a Director who voted in favor of such action.

4.0 OFFICERS

4.1 *Number.* The officers of Alpenrose Company, Inc. shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors.

4.2 *Election and Term of Office.* The officers of the Corporation to be elected by the Board of Directors shall be elected annually at the first meeting of the Board of Directors held after each annual meeting of the Shareholders. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his successor has been duly elected and qualifies or until his death or until he resigns or is removed in the manner hereinafter provided.

4.3 *Removal.* Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4 *Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

4.5 *Standards of Conduct for Officers.*

(1) Officers shall discharge their duties:

(a) in good faith;

(b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances: and

(c) in a manner the officer reasonably believes to be in the best interests of the Corporation.

(2) In discharging the duties of an officer, an officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

(a) one or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent in the matters presented: or

(b) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

(3) An officer is not acting in good faith if the officer has knowledge concerning the matter in question that make reliance unwarranted.

(4) An officer is not liable for any action taken as an officer, or any failure to take any action, if the officer performed the duties of the office in compliance with this section.

4.6 *Powers and Duties of the President.* The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Shareholders and, in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. The President, subject to the direction of the Board of Directors, shall have general powers and duties of management including but not limited to the power to appoint committees, officers, agents or employees from time to time as the President may, in his/her discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation. The President shall, subject to the direction of the Board of Directors, enforce these Bylaws, shall generally supervise and control the business, affairs and property of the Corporation, and shall have general and active supervision over the Company's officers. The President,

subject to the direction of the Board of Directors, may sign, execute and deliver in the name of the Corporation powers of attorney, contract, bonds and other obligations.

4.7 *Duties of the Vice-President(s).* The Vice-President(s) shall have such authority and perform such duties as the Board of Directors may authorize or direct.

4.8 *Duties of the Secretary.* The Secretary shall (a) subscribe the minutes of all meetings of the Shareholders and the Board of Directors; (b) prepare the Shareholder list and shall mail notices to both the Shareholders and the Directors of the holding of any meeting as prescribed by these Bylaws; (c) be the custodian of the seal of the Corporation and shall affix the seal to minutes, notices, and other instruments executed by the Corporation as required; and (d) otherwise authenticate the records of the Corporation. The Secretary shall have such authority and perform such other duties as the Board of Directors may authorize or direct.

4.9 *Duties of the Assistant Secretary.* The Assistant Secretary, in the event of the appointment thereof by the Board of Directors, shall, in the Secretary's absence or inability to act or in case it shall be inconvenient for the Secretary to so act, perform such duties of the Secretary as may be necessary. The Assistant Secretary shall have such authority and perform such other duties as the Board of Directors may authorize or direct.

4.10 *Duties of the Treasurer.* The Treasurer shall have charge of all funds belonging to the Corporation and shall keep and deposit the same for and on behalf of the Corporation in a bank or banks to be designated by the Board of Directors. In the absence of such designation the Treasurer may select the bank or banks in which to deposit such funds. The Treasurer shall have such authority and perform such other duties as the Board of Directors may authorize or direct.

4.11 *Duties of the Board of Directors.* The Board of Directors may create such subordinate offices and employ such subordinate officers or agents as it may from time to time deem expedient and

may fix the compensation of such officers or agents and define their powers and duties, provided such powers and duties do not constitute a delegation of such authority as is reposed in the Directors by law, which shall be exercised and performed exclusively by them. The Board of Directors shall also have the power to appoint a general manager, who shall hold office at the pleasure of the Board. The Board of Directors shall have the power to delegate to the general manager such executive power and authority as they may deem necessary to facilitate the handling and management of the Corporation's property and interests.

4.12 *Salaries.* Officers shall not be compensated for their services on behalf of the Corporation. Notwithstanding the foregoing, by resolution of the Board of Directors, Officers may be reimbursed for their reasonable out of pocket expenses incurred on behalf of the Corporation, if any. No such payment shall preclude any Officer from serving the Corporation in any other capacity and receiving compensation therefor.

5.0 CONTRACTS, CORPORATE FUNDS, CHECKS, AND DEPOSITS

5.1 *Contracts.* Without limiting any powers elsewhere granted by these Bylaws to the President or other officer of the Corporation, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. No loan shall be made to any Director without complying with applicable law.

5.2 *Corporate Funds.* All funds of the Corporation shall be under the supervision of the Board of Directors and shall be handled and disposed of in such manner and by such officers or agents of this Corporation as provided in these Bylaws or as the Board of Directors may authorize by proper resolutions from time to time.

5.3 *Checks, Drafts, or Orders.* All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

5.4 *Deposits.* All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

6.0 CERTIFICATES FOR SHARES; TRANSFERS

6.1 *Certificates for Shares.* Certificates representing shares of Alpenrose Company, Inc. shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the President or a Vice-President, if any, and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate a new one may be issued therefor on such terms and indemnity to the Corporation as the Board of Directors may prescribe.

6.2 *Transfer of Shares.* Transfer of shares of the Corporation shall be made in the manner specified in the Uniform Commercial Code and in any buy-sell agreement, right of first refusal, or other agreement restricting such transfer which agreement has been executed by the Corporation. The Corporation shall maintain stock transfer books, and any transfer shall be registered thereon only on request and surrender of the stock certificate representing the transferred shares, duly endorsed. The

Corporation shall have the absolute right to recognize as the owner of any shares of stock issued by it, the person or persons in whose name the certificate representing such shares stands according to the books of the Corporation for all proper corporate purposes, including the voting of the shares represented by the certificate at a regular or special meeting of Shareholders, and the issuance and payment of dividends on such shares.

6.3 *Shares of Another Corporation.* Shares owned by the Corporation in another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Board of Directors may determine or, in the absence of such determination, by the President of the Corporation.

6.4 *Subscriptions.* Subscriptions to the shares shall be paid at such times and in such installments as the Board of Directors may determine. The Board of Directors may adopt Bylaws prescribing penalties for default on subscription agreements. The Board of Directors shall establish an escrow for shares where payment is made by note or by a contract for future service. If the payment is not made or the contract for further services is not performed, the Board of Directors may authorize suit for payment or, at its option, rescind the subscription agreement and cancel the shares.

7.0 FISCAL YEAR

7.1 The corporation shall have a fifty two week fiscal year which shall begin on or about July 1st of each year and end at midnight on or about June 30th of the following year, save and except the initial year which shall begin on the date of incorporation.

8.0 DIVIDENDS

8.1 The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and on the terms and conditions provided by law and its Articles of Incorporation. Notwithstanding the foregoing, no dividend shall be declared or paid except upon the unanimous vote of the Board of Directors.

9.0 SEAL

9.1 The Board of Directors may adopt a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the Corporation, the year incorporated, and the state of incorporation and the words "Corporate Seal." The seal shall be stamped or affixed to such documents as may be prescribed by law or by the Board of Directors.

10.0 NOTICE AND CONSENT

10.1 *Waiver of Notice.* Whenever any notice is required to be given to any Shareholder or Director of the Corporation under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of law, a waiver thereof in writing, signed by the person or persons entitled to such notice and delivered to the Corporation for inclusion, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

10.2 *Consent to Action.* Any action which may be taken at a meeting of the Shareholders or Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Shareholders or Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of such Shareholders or Directors. Such action is effective when the last Shareholder or Director signs the consent unless the consent specifies an earlier or later effective date. All consents shall be delivered to the Secretary of the Corporation for inclusion in the minutes or filing with the corporate records.

11.0 RESTRICTIONS ON TRANSFER

11.1 *Transfer of shares.* No securities of this Corporation or certificates representing such securities shall be transferred in violation of any law or of any restriction on such transfer set forth in the Articles of Incorporation or amendments thereto, or the Bylaws; or contained in any buy-sell agreement, right of first refusal, or other agreement restricting such transfer which agreement has been

executed by the Corporation, or filed with the Secretary of the Corporation and signed by the parties to the agreement. The Corporation shall not be bound by any restrictions not so filed and noted.

11.2 *Restrictive Legend.* The Corporation and any party to any such agreement shall have the right to have a restrictive legend imprinted upon any such certificates and any certificates issued in replacement or exchange therefor or with respect thereto.

12.0 AMENDMENTS

12.1 The power to alter, amend or repeal the bylaws or adopt new bylaws is vested exclusively in the Shareholders as set forth in the Articles of Incorporation of this Corporation. The Board of Directors has the power to submit to the Shareholders a recommendation to alter, amend or repeal the bylaws or adopt new bylaws.

13.0 INDEMNIFICATION AND LIABILITY

13.1 *Mandatory Indemnification.* The Corporation shall indemnify a Director who was wholly successful, in the merits, or otherwise, in the defense of any proceeding to which the Director was a party because of being a Director of the Corporation against reasonable expenses incurred by the Director in connection with the proceeding.

13.2 *Permissive Indemnification.* The Corporation may indemnify a Director against liability for his reasonable expenses incurred in a proceeding because he is or was a Director if:

(a) the conduct of the Director was in good faith;

(b) the Director reasonably believed that his conduct was in the best interests of the Corporation, or at least not opposed to its best interests; and

(c) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

13.3 *No Indemnification.* The Corporation may not indemnify a Director in connection with a proceeding in which the Director was:

(a) adjudged liable to the Corporation; or

(b) in connection with a proceeding charging improper personal benefit to the Director in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

13.4 *Advance for Expenses.* The Corporation may pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) the Director furnishes the Corporation a written affirmation of the Director's good faith belief that the Director has met the standard of conduct described in Section 13.2;

(b) the Director furnishes the Corporation with a written undertaking, executed by the Director or his representative, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; and

(c) this undertaking must be an unlimited general obligation of the Director but need not be secured, and the Corporation may accept it without reference to the Director's financial ability to make repayment.

13.5 *Determination and Authorization of Indemnification.* The determination that indemnification of the Director is permissible shall be made:

(a) By the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding.

(b) If a quorum cannot be obtained under 13.5(a), by majority vote of a committee duly designated by the Board of Directors. The committee shall consist solely of two or more Directors not at the time parties to the proceeding.

(c) By special legal counsel selected by the Board of Directors or the above-mentioned committee in the manner described in (a) or (b) above, or if a quorum cannot be determined under (a) or (b), then by a majority of the Board of Directors including Directors who are a party to the proceeding.

(d) By the Shareholders.

13.6 *Reasonableness of Expenses.* The authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those authorized to select counsel in 13.5(c) above.

13.7 *Indemnification of Officers, Employees and Agents.* The Corporation may indemnify officers, employees and agents and/or advance expenses to the same extent as a Director.

13.8 If the Corporation indemnifies or advances expenses to a Director, the Corporation shall report the indemnification or advance in writing to the Shareholders with or before the notice of the next Shareholders meeting.

13.9 Each of the Shareholders recognizes and agrees that Carl H. Cadonau, Sr. holds a number of fiduciary positions with trusts and entities in which one or more of the Shareholders of this Corporation are beneficiaries and/or owners. Notwithstanding anything contained herein to the contrary, Carl H. Cadonau, Sr. shall not be subject to any corporate opportunity doctrine, or

the like (common law, statutory, or contractual), at any time. No such activity shall be deemed to be competitive or adverse to the interests of the Corporation or its Shareholders.

Adopted Effective the 25th day of June, 1998:

ALPENROSE COMPANY, INC.,
an Oregon Corporation,

Carl H Cadonau, Sr Pres
Carl H. Cadonau, Sr., President

Randall E Cadonau
Randall E. Cadonau, Secretary

APPROVED BY BOARD OF DIRECTORS:

Carl H. Cadonau, Sr Director
Carl H. Cadonau, Sr., Director

Carl H Cadonau Jr Director
Carl H. Cadonau, Jr., Director

Roderick C. Birkland
Roderick C. Birkland, Director

Randall E Cadonau
Randall E. Cadonau, Director

Wendell R Birkland
Wendell R. Birkland, Director

Roderick C. Birkland for Anita attorney in fact
Anita M. Birkland, Director

BUY-SELL AGREEMENT
ALPENROSE COMPANY, INC.

DATE: June 25, 1998

PARTIES: Cadonau Charter
Limited Partnership
6149 SW Shattuck Road
Portland, Oregon 97221;

Children's Trust -
Carl H. Cadonau, Sr., Trustee
6149 SW Shattuck Road
Portland, Oregon 97221;

Children's Trust -
Anita M. Birkland, Trustee
6149 SW Shattuck Road
Portland, Oregon 97221;

Wendell R. Birkland
6149 SW Shattuck Road
Portland, Oregon 97221;

Roderick C. Birkland
6149 SW Shattuck Road
Portland, Oregon 97221;

Wendell R. Birkland
Revocable Living Trust
6149 SW Shattuck Road
Portland, Oregon 97221;

Roderick C. Birkland
Revocable Living Trust
6149 SW Shattuck Road
Portland, Oregon 97221;

Roderick C. Birkland
for Emily Birkland
6149 SW Shattuck Road
Portland, Oregon 97221;

Roderick C. Birkland
for Kimberly Birkland
6149 SW Shattuck Road
Portland, Oregon 97221;

Wendell R. Birkland
for Lisa Birkland
6149 SW Shattuck Road
Portland, Oregon 97221; and

Wendell R. Birkland
for Ryan Birkland
6149 SW Shattuck Road
Portland, Oregon 97221 (the "Shareholders")

Alpenrose Company, Inc.,
an Oregon corporation
6149 SW Shattuck Road
Portland, Oregon 97221 (the "Company")

RECITALS

This Agreement is made with respect to all shares of the Company's capital stock now or hereafter outstanding ("Shares") for the purpose of protecting the Company and the Shareholders in the event of a purchase of the Shares of any Shareholder as provided for in this Agreement. Where applicable, this Agreement supplements and supersedes the Bylaws of the Company. The Shareholders together own all the outstanding Shares of the Company's stock as follows:

SHAREHOLDERS	*COMMON - VOTING $100.00 PAR VALUE*	*COMMON- NON-VOTING $100.00 PAR VALUE*	*COMMON- NON-VOTING $-0- PAR VALUE*	*PREFERRED NON-VOTING $100.00 PAR VALUE*
Cadonau Charter Limited Partnership	500	115	3,140	600
Children's Trust - Carl H. Cadonau, Sr., Trustee	-0-	1,385	11,445	160
Children's Trust - Anita M. Birkland, Trustee	-0-	1,385	11,445	160
Wendell R. Birkland	14	-0-	985	60

Roderick C. Birkland	14	-0-	985	60
Wendell R. Birkland Revocable Living Trust	208	57.50	-0-	180
Roderick C. Birkland Revocable Living Trust	208	57.50	-0-	180
Roderick C. Birkland for Emily Birkland	14	-0-	-0-	-0-
Roderick C. Birkland for Kimberly Birkland	14	-0-	-0-	-0-
Wendell R. Birkland for Lisa Birkland	14	-0-	-0-	-0-
Wendell R. Birkland for Ryan Birkland	14	-0-	-0-	-0-
TOTAL	*1,000*	*3,000*	*28,000*	*1,400*

Any additional Shares of the Company's capital stock hereafter purchased or otherwise acquired by a Shareholder shall be subject to this Agreement.

AGREEMENT

FOR VALUE, the current receipt and reasonable equivalence of which are hereby acknowledged, the Company and each Shareholder hereby agree as follows:

1.0 RESTRICTIONS ON TRANSFER

1.1 No Shareholder shall transfer any Stock except as expressly permitted by this Agreement and by operation of law. For purposes of this Agreement, "transfer" shall be construed as broadly as the law shall allow, and shall include any change of legal or beneficial ownership with respect to such Stock or the creation of a security interest by any means. Any transfer made in connection with the foreclosure of a security interest shall constitute a separate transfer. Any purported transfer in breach of this Agreement shall be, at the option of the Company, deemed void and of no validity and effect.

2.0 PERMITTED TRANSFERS

2.1 A Shareholder may transfer Stock at any time with the written consent of all other Shareholders.

2.2 A Shareholder may transfer Stock to other Shareholders as provided herein; to trusts created by the Shareholder for the Shareholder's benefit or for the benefit of immediate family members of the Shareholder (provided the Shareholder retains all management and voting rights); or to a company or partnership, which is owned by the Shareholder and/or immediate family members of the Shareholder (provided the Shareholder retains all management and voting rights). For purposes of this Agreement, "immediate family members" shall mean lineal descendants of the Shareholder's parents.

2.3 No permitted transfer shall be made unless the transferee executes a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended.

3.0 PERMITTED LIFETIME TRANSFERS

3.1 Any Shareholder desiring to transfer Stock in a transfer not permitted by Section 2 shall first give written notice to the Company of the Shareholder's intention to do so. The notice ("Transfer Notice") shall name the proposed transferee and specify the certificate number(s) and percentage of Stock to be transferred, the price, and the terms of payment. Promptly on receipt of the Transfer Notice, the President of the Company shall forward a copy of the Transfer Notice to each Shareholder.

3.2 In the event the Shareholder proposing the transfer or assignment is a Lineal Descendent of Carl H. Cadonau, Sr. (e.g., Carl H. Cadonau, Jr., Randall Eric Cadonau, Barbara Samsel Deeming, Anita Jean Cadonau, and their respective issue and/or an entity or trust formed by or on behalf of any one or more of such individuals), the remaining Lineal Descendants of Carl H. Cadonau, Sr., who are Shareholders of the Company shall have the exclusive option and first right to, for a period of thirty (30) days from the receipt of said notice by the Company, acquire all or any portion of the Stock owned by the Shareholder proposing the transfer or assignment, proportionately (or in such proportions as the eligible Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

3.2.1 If such Shareholders who are Lineal Descendants of Carl H. Cadonau, Sr., decline to elect such option, all of the remaining Shareholders of the Company (including Lineal Descendants of Carl H. Cadonau, Sr.), shall have the exclusive option for a period of thirty (30) days to acquire all or any portion of the Stock owned by the Shareholder proposing the transfer or assignment, proportionately (or in such proportions as the eligible Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

3.2.2 If the remaining Shareholders of the Company, decline to elect such option, the Company, for the benefit of all of the remaining Shareholders, shall have the exclusive option for a period of thirty (30) days to acquire the Stock by cancellation of the Certificate under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the Company, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

3.2.3 If the Company and the Shareholders do not elect to purchase all the Stock set forth in the Transfer Notice, then the remaining Stock described in the Transfer Notice may be transferred subject to the satisfaction of all the following conditions: (1) The transfer shall be made to the proposed transferee identified in the Transfer notice at the price and on the same terms stated in the Transfer Notice; (2) The transfer shall include all the Stock specified in the Transfer Notice not acquired by the remaining Shareholders and/or the Company pursuant hereto; (3) The transfer shall be completed within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company; (4) The transferee shall execute a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended; and (5) A majority of the disinterested Shareholders entitled to vote approve the financial strength and professional qualifications of the proposed new Shareholder. If such disinterested Shareholders fail to approve the financial strength and professional qualifications of the proposed new Shareholder within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company, the Company or the remaining Shareholders shall purchase the Stock at the price and upon the terms provided in Section 7 and Section 8.

3.2.4 In the absence of a bona fide transferee, or if all of the above conditions are not satisfied, the transfer of the Stock by the Shareholder will not be permitted without a new notice of intention to transfer and compliance with each of the terms of this Section 3.

3.3 In the event the Shareholder proposing the transfer or assignment is a lineal descendent of Anita M. Birkland (e.g., Roderick Carl Birkland, Wendell Raymond Birkland, and their respective issue and/or an entity or trust formed by or on behalf of any one or more of such individuals), the remaining Lineal Descendants of Anita M. Birkland who are Shareholders of the Company shall have the exclusive option and first right to, acquire for a period of thirty (30) days from the receipt of said notice by the Company, all or any portion of the Stock owned by the Shareholder proposing the transfer or assignment, proportionately (or in such proportions as the remaining Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

3.3.1 If such Shareholders who are Lineal Descendants of Anita M. Birkland decline to elect such option, all of the remaining Shareholders of the Company (including Lineal Descendants of Anita M. Birkland), shall have the exclusive option for a period of thirty (30) days to acquire all or any portion of the Stock owned by the Shareholder proposing the transfer or assignment, proportionately (or in such proportions as the eligible Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible

Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

3.3.2 If the remaining Shareholders of the Company, decline to elect such option, the Company, for the benefit of all of the remaining Shareholders, shall have the exclusive option for a period of thirty (30) days to acquire the Stock by cancellation of the Certificate under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the Company, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

3.3.3 If the Company and the Shareholders do not elect to purchase all the Stock set forth in the Transfer Notice, then the remaining Stock described in the Transfer Notice may be transferred subject to the satisfaction of all the following conditions: (1) The transfer shall be made to the proposed transferee identified in the Transfer notice at the price and on the same terms stated in the Transfer Notice; (2) The transfer shall include all the Stock specified in the Transfer Notice not acquired by the remaining Shareholders and/or the Company pursuant hereto; (3) The transfer shall be completed within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company; (4) The transferee shall execute a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended; and (5) A majority of the disinterested Shareholders entitled to vote approve the financial strength and professional qualifications of the proposed new Shareholder. If such disinterested Shareholders fail to approve the financial strength and professional qualifications of the proposed new Shareholder within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company, the Company or the remaining Shareholders shall purchase the Stock at the price and upon the terms provided in Section 7 and Section 8.

3.3.4 In the absence of a bona fide transferee, or if all of the above conditions are not satisfied, the transfer of the Stock by the Shareholder will not be permitted without a new notice of intention to transfer and compliance with each of the terms of this Section 3.

3.4 If the price stated in the Transfer Notice is greater than the price determined in accordance with Section 7 and/or the terms are different than those of Section 8, then the Company or the remaining Shareholders (as the case may be) shall be entitled to purchase the Stock under this Section 3 at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8, and shall not be required to purchase the Stock at the price or on the terms stated in the Transfer Notice.

3.5 All notices pursuant to this Section 3 shall be delivered to the parties who are to receive the notices in writing to their present addresses, Certified Mail - Return Receipt Requested, as indicated on the Company's books and records.

3.6 The Company's right to exercise the option and to purchase the Stock is subject to the restrictions governing the right of a corporation to purchase its own equity interests under the Oregon Business Corporation Act and such other applicable legal restrictions as are now, or may hereafter become, effective.

4.0 OBLIGATIONS OF TRANSFEREES

4.1 Unless this Agreement expressly provides otherwise, each transferee or subsequent transferee of Stock, or any interest in such Stock, shall hold such Stock or interest subject to all the provisions of this Agreement and shall make no further transfers except as provided in this Agreement.

4.2 No Stock has been registered under the Securities Act of 1933, as amended or any comparable state securities act and as such this interest may be deemed a "restricted security". A Shareholder may not transfer all or any part of its interest, except upon compliance with applicable federal and state securities laws. The Company may require the opinion of counsel acceptable to the Company that any transfer of an interest herein does not violate federal or state securities laws.

5.0 PURCHASE ON DEATH

5.1 In the event of the death of a Shareholder, then the deceased Shareholder's heir or heirs shall be entitled to succeed to the Stock of the deceased Shareholder provided such heir or heirs are Lineal Descendants of Carl H. Cadonau, Sr. or Anita M. Birkland (as described below) and further provided that such heir or heirs execute appropriate documentation provided by the Company by which the heir or each of the heirs personally affirm and accept all of the terms, conditions, and provisions of this Agreement binding themselves to the same in writing, and select a designated representative of the heirs of the deceased Shareholder as an acting Shareholder representative in the place of the deceased Shareholder.

5.1.1 For the purposes of this Agreement the term, *"Lineal Descendent of Carl H. Cadonau, Sr."* shall mean Carl H. Cadonau, Jr., Randall Eric Cadonau, Barbara Samsel Deeming, Anita Jean Cadonau, and their respective spouses and/or respective issue, and/or any entity organized and at least Fifty Percent (50%) owned by any one or more of such individuals, and/or any trust established by or on behalf of any one or more of such individuals. For the purposes of this Agreement the term, *"Lineal Descendent of Anita M. Birkland"* shall mean Roderick Carl Birkland, Wendell Raymond Birkland, and their respective spouses and/or respective issue, and/or any entity organized and at least Fifty Percent (50%) owned by any one or more of such individuals, and/or any trust established by or on behalf of any one or more of such individuals.

5.2 If such heir or heirs of the Deceased Shareholder who are Lineal Descendants of Carl H. Cadonau, Sr. or Anita M. Birkland (as described in Paragraph 5.1.1 above) notify the Company in writing of the intention not to continue to hold the Stock of the deceased Shareholder, the heirs of the deceased Shareholder proposing any transfer or assignment of the deceased Shareholder's Stock shall first notify the Company in writing of all the details of and consideration for the proposed transfer or assignment.

5.2.1 In the event the deceased Shareholder is a Lineal Descendent of Carl H. Cadonau, Sr. (as described above), the remaining Lineal Descendants of Carl H. Cadonau, Sr., who are Shareholders of the Company shall have the exclusive option and first right to, for a period of thirty (30) days from the receipt of said notice by the Company, acquire all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the eligible Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.2.1.1 If such Shareholders who are Lineal Descendants of Carl H. Cadonau, Sr., decline to exercise such option, all of the remaining Shareholders of the Company (including Lineal Descendants of Carl H. Cadonau, Sr.), shall have the exclusive option for a period of thirty (30) days to acquire all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the eligible Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.2.1.2 If the remaining Shareholders of the Company, decline to exercise such option, the Company, for the benefit of all of the remaining Shareholders, shall have the exclusive option for a period of thirty (30) days to acquire the Stock by cancellation of the Certificate under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the Company, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.2.1.3 If the Company and the Shareholders do not elect to purchase all the Stock set forth in the Transfer Notice, then the remaining Stock described in the Transfer Notice may be transferred subject to the satisfaction of all the following conditions: (1) The transfer shall be made to the proposed transferee identified in the Transfer notice at the price and on the same terms stated in the Transfer Notice; (2) The transfer shall include all the Stock specified in the Transfer Notice not acquired by the remaining Shareholders and/or the Company pursuant hereto; (3) The transfer shall be completed within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company; (4) The transferee shall execute a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended; and (5) A majority of the disinterested Shareholders entitled to vote approve the financial strength and professional qualifications of the proposed new Shareholder. If such disinterested Shareholders fail to approve the financial strength and professional qualifications of the proposed new Shareholder within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company, the Company or the remaining Shareholders shall purchase the Stock at the price and upon the terms provided in Section 7 and Section 8.

5.2.1.4 In the absence of a bona fide transferee, or if all of the above conditions are not satisfied, the transfer of the Stock by the heir or heirs of the deceased Shareholder will not be permitted without a new notice of intention to transfer and compliance with each of the terms of this Section 5.

5.2.2 In the event the deceased Shareholder is a lineal descendent of Anita M. Birkland (as described in Paragraph 5.1.1 above) the remaining Lineal Descendants of Anita M. Birkland who are Shareholders of the Company shall have the exclusive option and first right to, acquire for a period of thirty (30) days from the receipt of said notice by the Company, all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the remaining Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.2.2.1 If such Shareholders who are Lineal Descendants of Anita M. Birkland decline to exercise such option, all of the remaining Shareholders of the Company (including Lineal Descendants of Anita M. Birkland), shall have the exclusive option for a period of thirty (30) days to acquire all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the eligible Shareholders may agree), under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the eligible Shareholders, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.2.2.2 If the remaining Shareholders of the Company, decline to exercise such option, the Company, for the benefit of all of the remaining Shareholders, shall have the exclusive option for a period of thirty (30) days to acquire the Stock by cancellation of the Certificate under the same terms and conditions as provided in the notice of proposed transfer or, at the option of the Company, at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.2.2.3 If the Company and the Shareholders do not elect to purchase all the Stock set forth in the Transfer Notice, then the remaining Stock described in the Transfer Notice may be transferred subject to the satisfaction of all the following conditions: (1) The transfer shall be made to the proposed transferee identified in the Transfer notice at the price and on the same terms stated in the Transfer Notice; (2) The transfer shall include all the Stock specified in the Transfer Notice not acquired by the remaining Shareholders and/or the Company pursuant hereto; (3) The transfer shall be completed within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company; (4) The transferee shall execute a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended; and (5) A majority of the disinterested Shareholders entitled to vote approve the financial strength and professional qualifications of the proposed new Shareholder. If such disinterested Shareholders fail to approve the financial strength and professional qualifications of the proposed new Shareholder within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company, the Company or the remaining Shareholders shall purchase the Stock at the price and upon the terms provided in Section 7 and Section 8.

5.2.2.4 In the absence of a bona fide transferee, or if all of the above conditions are not satisfied, the transfer of the Stock by the heir or heirs of the deceased Shareholder will not be

permitted without a new notice of intention to transfer and compliance with each of the terms of this Section 5.

5.3 If such heir or heirs of the Deceased Shareholder are not Lineal Descendants of Carl H. Cadonau, Sr. or Anita M. Birkland (as described in Paragraph 5.1.1 above) the remaining Shareholders of the Company shall have the exclusive option to acquire all or any portion of the Stock owned by the deceased Shareholder, as follows:

5.3.1 In the event the deceased Shareholder is a Lineal Descendent of Carl H. Cadonau, Sr. (as described in Paragraph 5.1.1 above), the remaining Lineal Descendants of Carl H. Cadonau, Sr., who are Shareholders of the Company shall have the exclusive option and first right to, for a period not to exceed that date which is thirty (30) days from and after the qualification of the Personal Representative of the Deceased Shareholder, acquire all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the eligible Shareholders may agree), at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.3.1.1 If such Shareholders who are Lineal Descendants of Carl H. Cadonau, Sr., decline to exercise such option, all of the remaining Shareholders of the Company (including Lineal Descendants of Carl H. Cadonau, Sr.), shall have the exclusive option for a period of thirty (30) days to acquire all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the eligible Shareholders may agree), at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.3.1.2 If the remaining Shareholders of the Company, decline to exercise such option, the Company, for the benefit of all of the remaining Shareholders, shall have the exclusive option for a period of thirty (30) days to acquire the Stock by cancellation of the Certificate at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.3.1.3 If the Company and the Shareholders do not elect to purchase all the Stock set forth in the Transfer Notice, then the remaining Stock described in the Transfer Notice may be transferred subject to the satisfaction of all the following conditions: (1) The transfer shall be made to the proposed transferee identified in the Transfer notice at the price and on the same terms stated in the Transfer Notice; (2) The transfer shall include all the Stock specified in the Transfer Notice not acquired by the remaining Shareholders and/or the Company pursuant hereto; (3) The transfer shall be completed within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company; (4) The transferee shall execute a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended; and (5) A majority of the disinterested Shareholders entitled to vote approve the financial strength and professional qualifications of the proposed new Shareholder. If such disinterested Shareholders fail to approve the financial strength and professional qualifications of the proposed new Shareholder within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company, the Company or the remaining Shareholders shall purchase the Stock at the price and upon the terms provided in Section 7 and Section 8.

5.3.1.4 In the absence of a bona fide transferee, or if all of the above conditions are not satisfied, the transfer of the Stock by the heir or heirs of the deceased Shareholder will not be permitted without a new notice of intention to transfer and compliance with each of the terms of this Section 5.

5.3.2 In the event the deceased Shareholder is a lineal descendent of Anita M. Birkland (as described in Paragraph 5.1.1 above), the remaining Lineal Descendants of Anita M. Birkland who are Shareholders of the Company shall have the exclusive option and first right to, acquire for a period not to exceed that date which is thirty (30) days from and after the qualification of the Personal Representative of the Deceased Shareholder, all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the remaining Shareholders may agree), at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.3.2.1 If such Shareholders who are Lineal Descendants of Anita M. Birkland decline to exercise such option, all of the remaining Shareholders of the Company (including Lineal Descendants of Anita M. Birkland), shall have the exclusive option for a period of thirty (30) days to acquire all or any portion of the Stock owned by the deceased Shareholder, proportionately (or in such proportions as the eligible Shareholders may agree), at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.3.2.2 If the remaining Shareholders of the Company, decline to exercise such option, the Company, for the benefit of all of the remaining Shareholders, shall have the exclusive option for a period of thirty (30) days to acquire the Stock by cancellation of the Certificate at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8.

5.3.2.3 If the Company and the Shareholders do not elect to purchase all the Stock set forth in the Transfer Notice, then the remaining Stock described in the Transfer Notice may be transferred subject to the satisfaction of all the following conditions: (1) The transfer shall be made to the proposed transferee identified in the Transfer notice at the price and on the same terms stated in the Transfer Notice; (2) The transfer shall include all the Stock specified in the Transfer Notice not acquired by the remaining Shareholders and/or the Company pursuant hereto; (3) The transfer shall be completed within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company; (4) The transferee shall execute a counterpart copy of this Agreement, as amended, pursuant to which the transferee agrees to be bound by the provisions of this Agreement, as amended; and (5) A majority of the disinterested Shareholders entitled to vote approve the financial strength and professional qualifications of the proposed new Shareholder. If such disinterested Shareholders fail to approve the financial strength and professional qualifications of the proposed new Shareholder within One Hundred Fifty (150) days after receipt of the Transfer Notice by the Company, the Company or the remaining Shareholders shall purchase the Stock at the price and upon the terms provided in Section 7 and Section 8.

5.3.2.4 In the absence of a bona fide transferee, or if all of the above conditions are not satisfied, the transfer of the Stock by the heir or heirs of the deceased Shareholder will not be permitted without a new notice of intention to transfer and compliance with each of the terms of this Section 5.

5.4 If the price stated in the Transfer Notice is greater than the price determined in accordance with Section 7 and/or the terms are different than those of Section 8, then the Company or the remaining Shareholders (as the case may be) shall be entitled to purchase the Stock under this Section 5 at the price determined in accordance with Section 7 and/or upon the terms set forth in Section 8, and shall not be required to purchase the Stock at the price or on the terms stated in the Transfer Notice.

5.5 All notices pursuant to this Section 5 shall be delivered to the parties who are to receive the notices in writing to their present addresses, Certified Mail - Return Receipt Requested, as indicated on the Company's books and records.

5.6 The Company's right to exercise the option and to purchase the Stock is subject to the restrictions governing the right of a corporation to purchase its own equity interests under the Oregon Business Corporation Act and such other applicable legal restrictions as are now, or may hereafter become, effective.

6.0 BANKRUPTCY

6.1 In the event any Shareholder commences a voluntary case under the federal bankruptcy laws or permits the entry of a decree of order for relief against such Shareholder in an involuntary case under the federal bankruptcy laws, or makes an assignment for the benefit of creditors, the Company and the remaining Shareholders shall have the sole and exclusive option to purchase all of the Stock owned by the Shareholder in accordance with the provisions of Section 3.

7.0 VALUATION

The purchase price to be paid for each of the Shares subject to this Agreement shall be equal to the agreed value of the Company divided by the total number of Shares outstanding as of the date the price is to be determined. The initial agreed value of the Company's stock is as follows:

Class A Common Stock (Common Voting - $100.00 Par Value)
$ 2,618.85 per share;

Class B Common Stock (Common Non-Voting - $100.00 Par Value)
$ 760.26 per share;

Class C Common Stock (Common Non-Voting - $ No Par Value)

$ 760.26 per share; and

Class D Preferred Stock (Preferred Non-Voting - $100.00 Par Value)
$ 100.00 per share;

and, at the annual meeting of shareholders each year hereafter, the parties to this Agreement shall review the Company's financial condition as of the end of the preceding fiscal year and shall determine by mutual agreement the Company's fair market value, which, if agreed on, shall be the Company's value until a different value is agreed on or otherwise established under the provisions of this Agreement. If the parties are able to reach mutual agreement, then they shall evidence it by placing their written and executed agreement in the minute book of the Company. If no valuation has been agreed on within two (2) years before the date of the event requiring determination of value, the purchase price for each of a selling Shareholder's Shares shall be agreed on by the selling Shareholder (or his or her successor in interest) and the remaining Shareholders. If they do not mutually agree on a purchase price within Sixty (60) days after the date of the event requiring the determination, the purchase price for each of the selling Shareholder's Shares shall be determined by the Certified Public Accountant for the Company, whose determination shall be conclusive. In such event, the value of the Company shall be Book value which shall be determined from the books of the Company according to generally accepted principles of accrual accounting applied in a consistent manner observing the following principles: (1) All accounts payable shall be taken at face amount minus normal discount, and all accounts receivable shall be taken at face amount minus normal discount and a reasonable reserve for bad debts; (2) All real property, machinery, furniture, fixtures, and equipment shall be taken at the valuation appearing on the Company's books of account, with adjustment for the depreciation taken on them. Any amounts shown on the Company's books of account for any leases to which the Company is a party shall be excluded; (3) Inventory and supplies shall be valued at cost or market, whichever is less; (4) All accrued and properly accruable taxes and assessments shall be deducted as liabilities; and (5) Any securities traded on a national securities exchange shall be valued at their closing prices as of the date on which the valuation is made, or on the latest prior date on which the securities are actually traded. Securities traded over the counter shall be valued at mean between bid and asked prices as of the date on which the determination of book value is made, or the preceding trading day. The Company's book value shall be equal to its adjusted assets, including any proceeds of insurance policies, minus its adjusted liabilities. The purchase price to be paid for each Share subject to this Agreement shall be equal to the Company's book value divided by the number of Shares of the Company's capital stock then outstanding. Notwithstanding the foregoing, the purchase price to be paid for Class D Preferred Stock shall be One Hundred Dollars ($100.00) per share.

8.0 PAYMENT TERMS

8.1 Unless otherwise agreed, the purchase price for Shares purchased and sold under this Agreement shall be paid as follows:

8.1.1 Subject to Section 8.3, a down payment equal to ten percent (10%) of the purchase price shall be paid on the date on which the Company or the remaining Shareholders or both purchase the Shares.

8.1.2 Subject to Section 8.3, the balance of such purchase price shall be paid in not more than ten (10) equal annual installments, together with accrued annual interest upon the unpaid balance, which interest shall be at an annual rate equal to ten (10%) percent interest or the prime lending rate of the *Wells Fargo Bank of Oregon* or its successor as of the date of the determination of the purchase price, whichever is the lower rate.

8.2 The balance of the purchase price shall be evidenced by a promissory note and secured by a first or subordinate security interest, as the case may be, upon the Shares being purchased. The first installment shall be due and payable no later then three hundred sixty-five (365) days from the date of the initial payment, and subsequent installments shall be payable on the same day annually thereafter. The parties may agree to different terms of payment, but nothing in the terms and conditions of this Agreement shall imply that the selling Shareholder waives or agrees to waive the right to the provisions for installment payment as set forth in the Internal Revenue Code, nor that the purchaser waive or agree to waive the right to purchase the Ownership Percentage upon the terms set forth herein. All or any part of the unpaid balance of the purchase price may be prepaid without penalty at any time.

8.3 In the event the Company and/or the remaining Shareholders (through their appointed Trustee) have insurance on the life of a deceased Shareholder whose shares are purchased in accordance with Section 5, the purchase price for the shares shall be paid in cash on the date of the purchase of such Shares if the purchase price for such shares is not greater than the amount of the proceeds received by the Company and/or the remaining Shareholders from the insurance on the life of the deceased Shareholder. If the purchase price for the shares of the deceased Shareholder exceeds the amount of such insurance proceeds, an amount equal to the proceeds of such insurance on the life of the deceased Shareholder shall be paid in cash on the date of the purchase of such shares, and the balance of such purchase price shall be paid in accordance with paragraph 10.1. The Company and/or the Trustee shall file the necessary proofs of death and collect the proceeds of any policies of insurance outstanding on the life of the deceased Shareholder. The decedent's Personal Representative shall apply for and obtain any necessary court approval or confirmation of the sale of the decedent's shares under this Agreement.

8.4 Upon the exercise of any option under this Agreement and in all other events, consideration for the Shares shall be delivered as soon as practicable to the person entitled to it. The secretary of the Company shall cause the certificates representing the purchased Shares to be properly endorsed and, on compliance with Section 11, shall issue a new certificate in the name of each purchasing Shareholder.

9.0 ADMINISTRATIVE REQUIREMENTS

9.1 The Company agrees to apply for, and use its best efforts to obtain, all governmental and administrative approvals required in connection with the purchase and sale of Shares under this Agreement. The Shareholders agree to cooperate in obtaining the approvals and to execute any and all documents that may be required to be executed by them in connection with the approvals. The Company shall pay all costs and filing fees in connection with obtaining the approvals.

10.0 SHARE CERTIFICATES

10.1 On execution of this Agreement, each Shareholder shall have placed on the certificates representing the Shareholder's Shares the legend set forth in Section 11. None of the Shares shall be transferred, encumbered, or in any way alienated except under the terms of this Agreement. Each Shareholder shall have the right to vote his or her Shares and receive the dividends paid on them until the Shares are sold or transferred as provided in this Agreement.

11.0 LEGENDS ON SHARE CERTIFICATES

11.1 Each share certificate, when issued, shall have conspicuously endorsed on its face the following legend:

> SALE, TRANSFER, PLEDGE, OR ANY OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO AND RESTRICTED BY THE TERMS OF A BUY-SELL AGREEMENT DATED _____, 1998, BETWEEN THE COMPANY AND ITS SHAREHOLDERS, OF WHICH THE REGISTERED HOLDER IS A PARTY. A COPY OF THE BUY-SELL AGREEMENT IS AVAILABLE AT THE OFFICE OF THE CORPORATION. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE SOLD, TRANSFERRED, PLEDGED, OR OTHERWISE DISPOSED OF ONLY UPON COMPLIANCE WITH THE BUY-SELL AGREEMENT.

A copy of this Agreement shall be delivered to the secretary of the Company and shall be shown by the secretary to any person making inquiry about it.

12.0 TERMINATION OF AGREEMENT

12.1 This Agreement shall terminate on: (1) The written agreement of all parties; (2) The dissolution, bankruptcy, or insolvency of the Company; (3) At such time as only one Shareholder or other transferee who is subject to the terms of this agreement remains, the Shares of all others having been redeemed or transferred to persons who are not subject to the terms of this agreement; or (4) A public offering of the shares of the Company which is registered with the Securities and Exchange Commission or filed pursuant to Regulation A or Regulation D pursuant to the Securities Act of 1933.

13.0 EQUITABLE RELIEF IN THE EVENT OF BREACH

13.1 The Shares of the Company subject to this Agreement are unique and cannot be readily purchased or sold because of the lack of a market. For these reasons, among others, the parties will be irreparably damaged in the event this Agreement is breached. Any party aggrieved by a breach of the provisions of this Agreement may bring an action at law or a suit in equity to obtain redress, including specific performance, injunctive relief, or any other available equitable remedy. Time and strict performance are of the essence of this Agreement. Such remedies shall be cumulative and not exclusive and shall be in addition to any other remedy that the parties may have.

14.0 MISCELLANEOUS PROVISIONS

14.1 *Counterparts.* This Agreement may be executed in two or more fully or partially executed counterparts, each of which will be deemed an original binding the signer thereof against the other signing parties, but all counterparts together will constitute one and the same instrument.

14.2 *Certain Rules of Construction.* The provisions of this Agreement have been examined, negotiated, and revised by counsel for each party, and no implication will be drawn against any party hereto by virtue of the drafting of this Agreement.

14.3 *Interpretation.* This Agreement and the rights and obligations of each party hereto shall be governed and construed in accordance with the laws of the State of Oregon. In the event any action is brought to enforce this Agreement venue shall be in Multnomah County, Oregon. All parties hereto consent to the jurisdiction of the Circuit Court of the State of Oregon and the US District Court for the District of Oregon in any action or proceeding relating to the Sale Agreement, and waive any and all claims that such forum is inconvenient, or that there is a more convenient forum located elsewhere. This Agreement has been submitted to the scrutiny of all parties hereto and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or such party's counsel.

14.4 *Severability.* It is not the intent of the parties hereto to violate any applicable laws. If for any reason any provision of this Agreement does violate any such laws or is not fully enforceable in accordance with the terms and provisions hereof, this Agreement shall nevertheless be limited or construed to comply with such laws and shall be enforced to the fullest extent permitted by such laws, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14.5 *Necessary Documents.* Each party shall, at the reasonable request of the other party, provide any information and execute, acknowledge and deliver any and all documents and instruments reasonably necessary to complete the transfers contemplated by this Agreement and to give full effect to this Agreement.

14.6 *Expenses.* Except as may be specifically provided herein, each party shall bear its own expenses in connection with this Agreement and the transactions contemplated by this Agreement.

14.7 *Incorporation of Exhibits and Attachments.* All documents referred to in this Agreement and all exhibits attached to this Agreement shall be deemed a part of this Agreement and incorporated herein, where applicable, as if fully set forth herein with regard to the subject matter hereof.

14.8 *Counterparts.* This Agreement may be executed in one or more counterparts, each of which instruments shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.9 *Name, Gender and Captions.* In construing this Agreement, it is understood that the parties hereto may be more than one person, that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to one or more individuals and/or corporations and partnerships. All captions and Section headings used herein are intended solely for the convenience of reference and shall in no way limit any of the provisions of this Agreement.

14.10 *Costs and Attorney Fees.* In the event any suit is instituted or any activity or action is taken, whether arbitration, judicial or otherwise, including but not limited to, trial or appeal, or in connection with any case or proceeding under Chapter 7, 11, 12 or 13 of the Bankruptcy Code or any successor statute, to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party all expenses which the prevailing party may reasonably incur in taking such action, including, but not limited to, the costs of searching records, the cost of discovery depositions, attorney's fees and legal assistant fees, whether incurred in suit or action or appeal from judgment or decree therein or in connection with non-judicial action. Such sums shall be in addition to all other sums provided by law.

14.11 *Survival of Warranties.* The obligations, representations, warranties, covenants and agreements made herein shall survive the execution hereof and the closing of the transactions contemplated hereby and shall survive the expiration or termination of this Agreement by reason of default, acceleration, and/or foreclosure.

14.12 *Integration.* This Agreement contains the sole and entire understanding and agreement of the parties hereto with respect to its subject matter hereof, and supersedes all prior negotiations and understandings. This Agreement may not be terminated or otherwise amended, changed or modified, nor a waiver by either party, except by a written instrument signed by each party hereto.

14.13 *Waiver.* Failure of any party at any time to require performance of any provisions of this Agreement shall not limit the right of such party to enforce the provision, nor shall any waiver by such party of any breach of any provision be a waiver of any succeeding breach of that provision, or a waiver of that provision itself, or any other provisions, including this anti-waiver provision.

14.14 *Third Parties.* Nothing contained herein nor the transactions contemplated hereby, express or implied, shall be deemed to inure to the benefit of any person or entity not a party to this Agreement, nor shall it confer upon any such party or entity any right or remedy of any nature whatsoever.

14.15 *Notice.* Any notice under this Agreement shall be in writing and shall be effective when actually delivered (including delivery by facsimile) or exactly forty-eight (48) hours after deposit in the United States mail, registered or certified, addressed to the Undersigned at the addresses stated in this Agreement (with a copy of each item of correspondence to Mark R. Lindley, Suite 250, Five Centerpointe Drive, Lake Oswego, Oregon 97035) or such other addresses as either Undersigned may designate by written notice to the other.

14.16 *Arbitration.* Any claim or dispute arising out of or relating to this Agreement shall be settled by binding arbitration in the Portland, Oregon, metropolitan area in accordance with the Rules of either the Arbitration Service of Portland, Inc., or the American Arbitration Association, whichever organization is selected by the party who initiates arbitration by filing a claim in accordance with the filing rules of the organization selected. Judgment upon an arbitration may be entered in any court of competent jurisdiction.

14.17 *Nonforeign Status.* No party to this Agreement is a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

15.0 REPRESENTATION.

15.1 Each party to this Agreement and all related individuals and entities have each been advised and encouraged to seek independent counsel and advice on behalf of such parties with regard to their respective rights and obligations pursuant to this Agreement. The terms of this Agreement have been negotiated by the parties and this Agreement shall be construed as if it were prepared by counsel for all the parties hereto.

This Agreement shall bind and inure to the benefit of, as circumstances may require, not only the immediate parties hereto but their respective heirs, executors, administrators, Personal Representatives, successors in interest and assigns except as may be specifically limited herein.

THE EFFECTIVE DATE of this Agreement shall be the 25th day of June, 1998.

ALPENROSE COMPANY, INC.,
an Oregon Corporation,

Carl H. Cadonau, Sr Director
Carl H. Cadonau, Sr., Director

Carl H Cadonau Jr Director
Carl H. Cadonau, Jr., Director

Roderick C. Birkland
Roderick C. Birkland, Director

Randall E. Cadonau
Randall E. Cadonau, Director

Wendell R Birkland
Wendell R. Birkland, Director

Roderick C. Birkland attorney in fact for Anita B.
Anita M. Birkland, Director

SHAREHOLDERS:

Cadonau Charter
Limited Partnership

By: Carl H Cadonau, Sr Trustee

Children's Trust-
Carl H. Cadonau, Sr. - Trustee

By: Carl H. Cadonau, Sr - Trustee

Children's Trust -
Anita M. Birkland - Trustee

By: _____

Wendell R. Birkland
Revocable Living Trust

By: _____

Wendell R. Birkland

Roderick C. Birkland

Roderick C. Birkland
Revocable Living Trust

By:

Roderick C. Birkland
for Kimberly Birkland

By:

Wendell R. Birkland
for Ryan Birkland

By:

Roderick C. Birkland

Roderick C. Birkland
for Emily Birkland

By:

Wendell R. Birkland
for Lisa Birkland

By:

UNANIMOUS WRITTEN CONSENT OF GENERAL AND LIMITED PARTNERS

OF

CADONAU-CHARTER LIMITED PARTNERSHIP,
an Oregon limited partnership

The undersigned, being the General Partner all of the Limited Partners of **CADONAU-CHARTER LIMITED PARTNERSHIP**, an Oregon limited partnership (the "**Partnership**"), hereby take the following actions by execution of this Unanimous Written Consent of General and Limited Partners ("**Consent**") in accordance with the Partnership's Articles of Limited Partnership, as adopted on December 31, 1992:

Approval of Amendment to Articles of Limited Partnership

WHEREAS, the General Partner and Limited Partners have determined it is in the best interest of the Partnership to amend the Articles of Limited Partnership to reflect changes in the allocation of partnership units, ownership percentages, and other changes to the names and addresses of the partners.

RESOLVED, the General Partner and Limited Partners approve and adopt the following amendment to Articles 4 and 5 of the Articles of Limited Partnership:

* * *

4. PRINCIPAL OFFICE

The street address of the principal office in the United States where the records of the partnership are to be maintained is:

State: Oregon	*4905 SW Griffith Drive, Suite 205 Beaverton, OR 97005*

5. NAME, ADDRESS OF THE GENERAL PARTNER

The name, the mailing address, and the street address of the business or residence of the general partner, is:

Cadonau Family Management Trust U/D/T December 31, 1992	*4905 SW Griffith Drive, Suite 205 Beaverton, OR 97005*

* * *

RESOLVED FURTHER, the General Partner and Limited Partners approve and adopt the allocation of partnership units and updated information as set forth in the amended and

restated "Exhibit A" to the Partnership's Articles of Limited Partnership attached as Schedule 1 to this Consent.

General Authority

RESOLVED, that the General Partner is authorized to sign and deliver all documents and to take or cause to be taken all other acts on behalf of the Partnership that they deem necessary or appropriate to effect and carry out the intent of the above resolutions.

RESOLVED, that all acts previously taken by any General Partner or Limited Partner of the Partnership on behalf of the Partnership to effect and carry out the intent of the above resolutions are approved, ratified, and confirmed, provided the acts were not inconsistent with the Articles of Limited Partnership, or any applicable law.

[SIGNATURE PAGE FOLLOWS]

By signing this Consent, the General Partner and each undersigned Limited Partner hereby waives of any notice required by the Articles of Partnership, or otherwise. This Consent may be signed in counterparts.

Dated effective January 1, 2015.

GENERAL PARTNER OF CADONAU-CHARTER LIMITED PARTNERSHIP, an Oregon limited partnership

Cadonau Family Management Trust U/D/T December 31, 1992

Carl H. Cadonau, Jr., Managing Trustee

LIMITED PARTNERS OF CADONAU-CHARTER LIMITED PARTNERSHIP, an Oregon limited partnership

Carl and Phyllis Cadonau Living Trust dated October 4, 1994

Carl Cadonau, Jr., Trustee

Anita Jean Cadonau-Huseby

Cary R. Cadonau

Jennifer K. Hart

Barbara C. Deeming Living Trust u/t/a dated July 5, 1995

Barbara Deeming, Trustee

Carl H. Cadonau III

Tracey C. McKinnon

Eric S. Samsel

Cadonau Master Heritage Trust U/D/T December 31, 1992

Carl H. Cadonau, Jr., Managing Trustee

Randall E. Cadonau Family Trust U/T/A dated July 15, 1994

Deann L. Little, Trustee

By signing this Consent, the General Partner and each undersigned Limited Partner hereby waives of any notice required by the Articles of Partnership, or otherwise. This Consent may be signed in counterparts.

Dated effective January 1, 2015.

GENERAL PARTNER OF CADONAU-CHARTER LIMITED PARTNERSHIP, an Oregon limited partnership

Cadonau Family Management Trust U/D/T December 31, 1992

_____
Carl H. Cadonau, Jr., Managing Trustee

LIMITED PARTNERS OF CADONAU-CHARTER LIMITED PARTNERSHIP, an Oregon limited partnership

Carl and Phyllis Cadonau Living Trust dated October 4, 1994

_____
Carl Cadonau, Jr., Trustee

_____
Anita Jean Cadonau-Huseby

_____
Cary R. Cadonau

_____
Jennifer K. Hart

Barbara C. Deeming Living Trust u/t/a dated July 5, 1995

_____
Barbara Deeming, Trustee

_____
Carl H. Cadonau III

_____
Tracey C. McKinnon

_____
Eric S. Samsel

Cadonau Master Heritage Trust U/D/T December 31, 1992

_____
Carl H. Cadonau, Jr., Managing Trustee

Randall E. Cadonau Family Trust U/T/A dated July 15, 1994

DeAnn L. Little

~~Deann~~ L. Little, Trustee
DeAnn

By signing this Consent, the General Partner and each undersigned Limited Partner hereby waives of any notice required by the Articles of Partnership, or otherwise. This Consent may be signed in counterparts.

Dated effective January 1, 2015.

GENERAL PARTNER OF CADONAU-CHARTER LIMITED PARTNERSHIP, an Oregon limited partnership

Cadonau Family Management Trust U/D/T December 31, 1992

_____
Carl H. Cadonau, Jr., Managing Trustee

LIMITED PARTNERS OF CADONAU-CHARTER LIMITED PARTNERSHIP, an Oregon limited partnership

Carl and Phyllis Cadonau Living Trust dated October 4, 1994

_____
Carl Cadonau, Jr., Trustee

_____
Anita Jean Cadonau-Huseby

_____
Cary R. Cadonau

_____
Jennifer K. Hart

Barbara C. Deeming Living Trust u/t/a dated July 5, 1995

_____
Barbara Deeming, Trustee

_____
Carl H. Cadonau III

_____
Tracey C. McKinnon

_____
Eric S. Samsel

Cadonau Master Heritage Trust U/D/T December 31, 1992

_____
Carl H. Cadonau, Jr., Managing Trustee

Randall E. Cadonau Family Trust U/T/A dated July 15, 1994

_____
Deann L. Little, Trustee

SCHEDULE 1

EXHIBIT "A"
LIST OF PARTNERS
CADONAU-CHARTER LIMITED PARTNERSHIP

There are 100 units of ownership in this partnership. The number of units and the value thereof as of the date of contribution held by each partner is set forth below. Each partner shall own that number of units, or fraction thereof, determined by the value of capital contributed to the partnership by each partner divided by the value of all capital contributed to the partnership, but no less than one unit of ownership.

PARTNER	%OWNERSHIP	$VALUE
Cadonau Family Management Trust U/D/T December 31, 1992, as General Partner 4905 SW Griffith Drive, Suite 205 Beaverton, OR 97005	1.383405 units	$43,003
Carl and Phyllis Cadonau Living Trust dated October 4, 1994 6149 SW Shattuck Road Portland, OR 97221	7.156578 units	$219,955
Randall E. Cadonau Family Trust U/T/A dated July 15, 1994 815 E Avenue Lake Oswego, OR 97034	7.156578 units	$219,937
Barbara C. Deeming Living Trust U/T/A dated July 5, 1995 560 S.W. 82nd Avenue Portland, OR 97223	7.156578 units	$219,926
Anita J. Cadonau-Huseby 160 Westfield Circle Danville, CA 94526	7.156578 units	$219,928
Cadonau Master Heritage Trust U/D/T December 31, 1992 4905 SW Griffith Drive, Suite 205 Beaverton, OR 97005	44.727048 units	$1,390,377
Carl H. Cadonau III 5106 SW Illinois Street Portland, OR 97221	5.052647 units	$155,557

EXHIBIT "A" (Continued)
LIST OF PARTNERS
CADONAU-CHARTER LIMITED PARTNERSHIP

PARTNER	OWNERSHIP	$VALUE
Cary R. Cadonau 5118 SW Mitchell Street Portland, OR 97221	5.052647 units	$155,551
Tracey C. McKinnon 8056 SW Collin Court Portland, OR 97723	5.052647 units	$155,556
Jennifer K. Hart 1075 Montello Avenue Hood River, OR 97031	5.052647 units	$155,573
Eric S. Samsel 7316 SW 54th Avenue Portland, OR 97219	5.052647 units	$155,554
Total:	100 units	$3,090,917

Note: The subscribed units, shares, or percentages of partnership indicated by this schedule are current as of January 1, 2015.

THE UNITS OR PERCENTAGES OF OWNERSHIP OF CADONAU-CHARTER LIMITED PARTNERSHIP HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE"SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE UNITS OR PERCENTAGES OF OWNERSHIP ARE OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT AND SUCH LAWS, AND PARTICULARLY REGULATION D [ENACTED BY THE SECURITIES AND EXCHANGE COMMISSION EFFECTIVE APRIL 15, 1982 PERTAINING TO CERTAIN OFFERS AND SALES OF SECURITIES WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933.]

THE PARTNERSHIP WILL NOT BE SUBJECT TO THE REPORTING REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND WILL NOT FILE REPORTS, PROXY STATEMENTS AND OTHER INFORMATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

THE LIMITED PARTNERSHIP INTERESTS OF CADONAU-CHARTER LIMITED PARTNERSHIP HAVE NOT, NOR WILL BE, REGISTERED OR QUALIFIED UNDER FEDERAL OR STATE SECURITIES LAWS. THE LIMITED PARTNERSHIP INTERESTS OF CADONAU-CHARTER LIMITED PARTNERSHIP MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED UNLESS SO REGISTERED OR QUALIFIED, OR UNLESS AN EXEMPTION FROM REGISTRATION OR QUALIFICATION EXISTS. THE AVAILABILITY OF ANY EXEMPTION FROM REGISTRATION OR QUALIFICATION MUST BE ESTABLISHED BY AN OPINION OF COUNSEL FOR THE OWNER THEREOF, WHICH OPINION AND COUNSEL MUST BE REASONABLY SATISFACTORY TO CADONAU-CHARTER LIMITED PARTNERSHIP.

ARTICLES OF LIMITED PARTNERSHIP
CADONAU-CHARTER LIMITED PARTNERSHIP

1. FORMATION AS A LIMITED PARTNERSHIP

This Limited Partnership is created under the laws of the state of Oregon. This Limited Partnership will become effective upon the date of the execution of these Articles of Limited Partnership.

2. PARTNERSHIP NAME

The name of the partnership is **CADONAU-CHARTER LIMITED PARTNERSHIP.**

3. PURPOSE

This partnership is formed for investment purposes. Capital, and not services, is to be the material income producing source for the partnership.

The partnership, acting by and through its authorized representative, may acquire, hold, rent, lease, sell, convey, exchange, convert, improve, repair, manage, create, control, and invest and reinvest the funds of the partnership in real and personal property (both tangible and intangible), including property acquired "subject to" or "in assumption of" an existing

indebtedness or property acquired in whole or in part for the promissory obligation of the partnership. Investments may include the acquisition of and the exercise of options to purchase real and personal property. The partnership may make any payment, receive any money, take any action, and make, execute, deliver and receive any contract, deed, instrument or document which may be considered necessary or advisable to exercise any of the powers conferred hereunder or to carry into effect any provisions herein contained and which in the judgment of the authorized representative of the partnership are necessary or prudent for the proper administration and conservation of the investments of the partnership.

The partnership, acting by and through its authorized representative, will have the authority to lend, borrow, lease, sell, and purchase property, including undivided fractional interests in property, and upon such terms and conditions as are reasonably prudent under the facts and circumstances then existing. The partnership will have the authority to guarantee the promissory obligations of others with or without charging a fee therefor.

Without limiting the general authority above given, the partnership will have the authority to hold, acquire and sell as investment property:

- Publicly traded securities, including stocks, bonds, warrants, futures, mutual funds, partnerships, real estate investment trusts, diversified asset funds, including international investments and investment funds.

- Interests in a closely held corporation, partnership, or trust, whether registered or not registered for public sale, including any corporation, partnership, limited partnership, limited liability company, investment trust, or other entity, this authority to further include: the acquisition of a general partnership interest or limited partnership interests, the execution of a partnership agreement in the capacity of a general partner or as a limited partner, participation as a member of a joint venture, or participation in any other form of syndication for investment.

- Obligations of the United States government or of any foreign government.

- Cash deposits, money market funds, brokerage company investment and money market accounts, certificates of deposit, savings accounts, and checking accounts, without limitation as to the location of the account or depository.

- Promissory notes, secured and unsecured, including mortgage notes purchased at a discount.

- Land, improved and unimproved, whether presently income producing or held for potential appreciation in value.

- Land, building and equipment leases.

- Minerals, mineral rights and working interests in mineral producing property or property held for future development.

- Equipment, implements, stock in trade, leasehold improvements, and livestock.

- Annuities and insurance policies (including life insurance policies).

In addition to the broad investment powers granted hereunder and without in any way limiting these powers, the partnership, acting by its authorized representative, may with respect to real property of any kind, wheresoever located, sell, convey, release, mortgage, encumber, lease, partition, improve, manage, protect, and subdivide such property or any interests therein or parts thereof and may dedicate for public use or vacate any subdivision or parts thereof. The trustee is also authorized to re-subdivide, contract to sell, grant options to purchase, sell on any terms, convey, mortgage, pledge, or otherwise encumber such property, or any part thereof, from time to time, in possession or reversion, by leases to commence either presently or at some future time, and upon any terms and for any period or periods of time including a term beyond the duration of this trust, and to renew leases and options to purchase the whole or any part of any reversion.

These powers include the power to purchase or lease rights for the exploration for and the removal of gas, oil and all other minerals. The trustee may likewise partition or exchange said real property, or any part thereof, for other real or personal property, grant easements or charges of any kind, release, convey or assign any right, title or interest in or about an easement appurtenant to the property or alter, repair, add to or take from buildings on the premises, purchase or hold real property, improved or unimproved, or to act as trustee of any land trust of which the trust is a beneficiary, to convey title to the real estate subject to such land trust and to execute all documents pertaining to the property subject to such land trust and act in all matters regarding such trust, and execute assignments of all or any part of the beneficial interests in such land trusts.

Services provided by a general partner are to be incidental to the acquisition, sale, use, management and conservation of the partnership's investments. Property acquired and held by the partnership need not be income producing, but may be held for its potential for appreciation in value.

4. PRINCIPAL OFFICE

The street address of the principal office in the United States where the records of the partnership are to be maintained is:

State: Oregon	6149 S.W. Shattuck Road Portland, Oregon 97221

The records maintained, and to be maintained, at this office are those prescribed by the laws of the state of Oregon.

5. NAME, ADDRESS OF THE GENERAL PARTNER.

The name, the mailing address, and the street address of the business or residence of the general partner, is:

Cadonau Management Trust, a trust formed under the laws of the state of Oregon	6149 S.W. Shattuck Road Portland, Oregon 97221

6. INITIAL PARTNERS AND ADJUSTMENTS TO THE UNITS OF OWNERSHIP BASED UPON CAPITAL ACCOUNTS

The initial partners and their units or percentages of ownership will be as identified in a schedule of partners and their ownership units or percentages of interest attached hereto as EXHIBIT "A". The partnership, acting by its general partner or general partners then serving, will be obligated to maintain a correct record of all partners and the ownership interests of each partner together with amended and revised schedules of ownership caused by the addition of partners and changes of ownership.

The partnership, acting by its general partner or general partners then serving, or in the alternative, all partners by vote of least 85 percent in interest, will have the authority to adjust or reallocate the units or percentages of ownership of all partners based upon the balance of each partner's capital account in relationship to the total of all of the capital accounts of all partners. The reallocation of ownership percentages or units of ownership is to be determined by dividing the balance of each partner's capital account by the total of all of the capital accounts.

7. THE PARTNERS, UNITS OR PERCENTAGES OF OWNERSHIP, VOTING, LIABILITY

There will be 100 units of ownership. A general partner must own at least one unit of ownership. For example, if a partner owns more than one unit of ownership, one unit of

ownership may be classified as a general partnership unit and the remainder may be allocated to his, her or its ownership as a limited partner insofar as state law permits a partner to be both a general partner and a limited partner. The unit (or units, if more than one) of ownership held by a partner as a general partner is non-transferable. The unit (or units, if more than one) classified as a general partnership unit (or units, if more than one) will revert to limited partnership units at such time as a partner ceases to serve as general partner for any reason.

All units of ownership are subject to the restrictions on transfer imposed by these Articles of Limited Partnership. A partner may own a fractional unit or share.

Each unit of ownership will have one vote on all matters on which all partners have a vote under the Articles of Partnership or by law. The owner of a fraction of a unit will be entitled to vote the fraction of one unit which he, she, or it owns. For example, a partner with 35.5 units will have a 35.5 percent ownership interest in the partnership, and will have 35.5 votes on matters which require the consent or affirmative action of the partners acting in concert. The term "majority in interest" will mean that 51 votes out of 100 votes will be determinative of a given matter. The term "85 percent in interest of the partners" will mean that at least 85 votes of the total 100 votes will be determinative of a given matter.

(1) ***A Limited Partner.*** No partner, other than a general partner, may participate in the management and operation of the partnership's business and its investment activities, or bind the partnership to any obligation or liability whatsoever. A limited partner may not transfer legal or beneficial title to property of the partnership unless, supported by an affidavit of fact, the limited partner acts pursuant to the limited authority prescribed by the laws of the state of Oregon relative to winding up of the partnership in the absence of a qualified general partner. Except as may be otherwise provided by the laws of the state of Oregon, a limited partner will not be liable for the obligations of the partnership.

(2) ***A General Partner.*** Each partner serving, or to serve, as general partner will have the obligation to manage and administer the property of the partnership and to perform all other duties prescribed for a general partner by the laws of the state of Oregon. A general partner will have personal liability for the obligations of the partnership except as may be specifically limited by the laws of the state of Oregon or any other jurisdiction in which the partnership has qualified to do business.

The partnership must have at all times at least one general partner. No more than three may serve as general partner at the same time.

(3) ***Removal of a General Partner.*** A general partner may be removed from office for cause by the affirmative vote of at least 85 percent in interest of all partners acting in concert. The term "*for cause*" will mean and include: any material act of self dealing by a general partner; any material act constituting gross negligence or intentional fraud; or any act constituting the willful and intentional disregard of a directive of the partners pursuant to a vote on a matter which the partners have a vote under these Articles of Limited Partnership or under the laws of the state of Oregon. The term "material" identifies a significant monetary damage to the partnership as the result of the act or omission to act by a general partner constituting self dealing, gross negligence or fraud. The term does not include incidental or insignificant monetary damage to the partnership; monetary damages incurred by someone who is not a partner and for which the partnership is not liable; nor an intangible loss or damage which cannot be valued under the fair market valuation standards of federal tax law.

If the issues of self dealing, gross negligence or fraud *and* material damage to the partnership are finally resolved against the general partner as the result of a conclusive fact finding by the court or a jury under the laws of the state of Oregon, the voting attributes of a general partner's units of ownership, both general and limited, may be disregarded in obtaining the required vote to remove the general partner.

- ***A General Partner's Ownership Interest Upon Removal, Resignation, Death, Disability, or Other Inability to Continue Service.*** A general partner's unit (or units, if more than one) of ownership, held as a general partner and classified as a general partner unit (or units, if more than one), will become a limited partnership unit (or units, if more than one) upon the general partner's removal, resignation, death, disability, or inability to continue service as a general partner for any other reason.

- ***Units of Ownership Owned by a General Partner as General Partner.*** A general partner must own at least one unit of ownership. Other units owned by one who is a general partner may be owned by the partner as a limited partner insofar as state law permits a partner to be both a general partner and a limited partner. Any limitation upon the number of units held as a general partner as general partner is generally designed to comply with federal tax law requirements pertaining to partnerships when invested capital is a significant and material income producing factor. Federal tax law generally requires that reasonable compensation be paid to a general partner for his, her, or its services to the partnership. Fair and reasonable compensation for services provided by the general partner is to be paid to the general partner as service income or in the nature of a guaranteed payment for services by a service partner. The unit (or units, if more than one) held by a partner as general partner will realize its proportionate share of items of income, gain, loss, deduction and credit from the use and investment of the partnership property.

Nor is it intended that there be a relative difference in the value of a unit held by a general partner and the units of ownership held by limited partners. The units of ownership held by a limited partner may be worth less than a general partner's unit due to a limited partner's inability to participate in the management of the partnership, and may be worth more due to the substantial limited liability of a limited partner provided by the laws of Oregon and the protection of a limited partner's ownership interest under the laws of Oregon. A general partner's unit of ownership may be worth more due to his or her or its rights to manage the partnership, but worth less due to the unlimited personal liability which the general partner has for the obligations of the partnership.

The partners, acting in concert, and by vote of at least 85 percent in interest may increase the number of partnership units which a general partner may or must own as general partner.

(4) ***Valuation of the Partnership and Individual Ownership Interests in the Partnership.*** The valuation of the partnership as an entity and the valuation of individual partnership units or percentages is to be based upon fair market value. Any dispute, contest or issue of fair market value is to be resolved and determined by the written appraisal of a person or firm employed by the partnership who is qualified to value the partnership and the ownership interests of its partners. The appraiser selected by the partnership must be qualified to perform business appraisals by reason of his or her experience and qualifications to do so.

(5) ***Amendment to the Certificate of Limited Partnership.*** In the event a general partner is unwilling or unable to sign a required amendment to the Certificate of Limited Partnership as evidence of the withdrawal, removal, death, substitution or addition of a general partner, the amended certificate may be signed by: (1) the remaining general partner or partners, if more than one general partner is then serving; (2) by any successor to a general partner designated in the Articles of Partnership or any amendment thereto (i.e., the default successor if a new general partner is not elected within the time required by law after the predecessor ceased to serve); or, (3) by a new general partner elected by the partners within the time prescribed by law and the Articles of Limited Partnership. **Each partner serving, or to serve, as general partner does hereby appoint his, her or its successor, (or if there is more than one general partner serving at that time, each remaining general partner) as his, her or its attorney in fact, and with the authority to sign the amended certificate on his, her, or its behalf.** In the event the laws of the state of Oregon should require dissolution of the partnership due to the removal, resignation, death, disability, or inability of a general partner to continue service, or other event of withdrawal, the partnership will nonetheless be reconstituted and will continue as a limited partnership, governed by these Articles of Limited Partnership, and without further action of the partners.

8. TAXABLE AS A PARTNERSHIP

The limited partnership will constitute a partnership for federal income tax purposes, and the partnership will report all items of income, gain, loss, deduction and credit as a partnership.

The tax year of the partnership for accounting and federal income tax purposes will be the calendar year unless otherwise determined, or changed, in accordance with the requirements of federal tax law.

The partnership, acting by and through its general partner or general partners then serving, will have the obligation to maintain the books and records of the partnership in accordance with federal law, the laws of the state of Oregon, and generally accepted accounting principles; to see to the preparation of all necessary tax reports and other information required by law; and to deliver to each partner a report of his, her or its distributive share of items of income, gain, loss, deduction and credit in the form and manner required by law.

9. CAPITAL ACCOUNTS OF THE PARTNERS

A capital account will be established for each partner and will be maintained in such a manner to correspond with the capital of the partners as reported for federal income tax purposes. Each partner's capital account is to be

- credited with the value of the partner's contribution of cash or other property to the partnership (or such capital as may be otherwise acquired by a partner);

- credited or charged annually with the partner's distributive share of items of income, gain, loss, deduction and credit for federal income tax purposes.

Distributions of cash or other property to a partner are to be charged against the partner's capital account as a withdrawal of capital.

The federal income tax basis of a partner's units of ownership or percentage interest in the partnership and all other matters pertaining to the distributive share and taxation of items of income, gain, loss, deduction and credit will be as otherwise prescribed by Subchapter K of the Internal Revenue Code. The capital accounts will not bear interest.

No partner will be entitled to withdraw or demand the return of any part of his or her or its capital contribution to the partnership or his, her or its capital account in the partnership except upon dissolution of the partnership or as may be otherwise provided or permitted by the terms of this agreement or any written amendment thereof.

10. DETERMINATION OF A PARTNER'S OWNERSHIP INTEREST IN THE PARTNERSHIP AS AN ENTITY AND THE ALLOCATION AND DISTRIBUTION OF INCOME, GAIN, LOSS, DEDUCTION AND CREDIT, INCLUDING LIQUIDATING DISTRIBUTIONS

A partner's units of ownership or percentage interest will be determinative of: (1) the partner's ownership interest in the partnership as an entity; (2) a partner's share of available cash available for distribution; (3) a partner's allocable share of items of income, gain, loss, deduction and credit; and, (4) a partner's distributive share of cash and other property upon dissolution of the partnership.

Each partner serving, or to serve, as a general partner will be entitled to a fair and reasonable compensation for his, her, or its service to the partnership. Compensation for the service of a general partner to the partnership is to be allocated to his, her, or its general partner's capital account (attributable to the one unit of ownership held as general partner), and not to the capital account of any other partner.

11. LOANS FROM A PARTNER

If any partner advances funds to the partnership, other than as a required capital contribution, or makes any other payment to or on behalf of the partnership to cover operating costs or capital expenses, such advance or payment will be deemed to be a loan to the partnership which will bear interest at market rates from the date the advance was made until paid. The term "market rates" will mean the rate of interest prescribed as its "prime rate" by First Interstate Bank of Oregon on the first day of each calendar year for the year in which a loan is made to the partnership, and for the first day of each following year in which an unpaid balance remains. The prescribed interest amount is to be compounded on January 1 of each year.

12. CALLS FOR ADDITIONAL CAPITAL CONTRIBUTIONS

The partnership, acting by its general partner or general partners then serving, will have the authority to "call" on the partners to contribute additional capital when: (1) additional capital is reasonably needed to pay existing or anticipated expenses of operation and administration; debt service for any amounts borrowed by the partnership; insurance and tax payments; the cost of acquiring, maintaining and selling property of the partnership; and, (2) the calls for capital are not discriminatory, that is, when all partners, both general and limited, are required to contribute capital to the extent of each partner's units of ownership or percentage interest in the partnership.

A required contribution of capital must be made within 60 days from the date the call is made.

If a partner cannot, or does not, contribute capital in an amount equal to his, her, or its units or percentage interest in the partnership, other partners may pay the deficiency as an additional capital contribution. In each such case, the partnership, acting by and through its general partner or general partners then serving, will have the authority to reallocate the units or percentages of ownership of all partners, increasing the units of ownership or percentage interest of those who made contributions and decreasing the units of ownership or percentage interest of those who did not make a full contribution. The reallocation of ownership units or percentages is to be determined by dividing the balance of each partner's capital account by the total of all of the capital accounts of all partners.

13. RETENTION OF DISTRIBUTABLE INCOME AS CAPITAL RESERVES

The partnership, acting by and through its general partner or general partners then serving, may retain from distributions of cash, otherwise distributable to the partners from the income and gain of the partnership, amounts needed, to provide funds for additional investment, capital improvements, capital reserves and working capital for anticipated operating expenses.

14. TERM OF THE LIMITED PARTNERSHIP

The partnership will exist and continue as a limited partnership for a term of years which will (1) begin upon the execution of this instrument, and will (2) end on December 31 of the year following the expiration of 50 years from the date hereof [called "initial term"].

(1) ***Vote to Terminate the Partnership Before the End of the Initial Term.*** A vote of *all* of the partners, both general and limited, is required to dissolve the partnership prior to the expiration of the initial term of years.

(2) ***Vote to Continue the Partnership Beyond the Initial Term, Act Before Expiration of the Initial Term.*** At any time prior to the expiration of the initial term of the partnership, the partners, acting in concert, may vote to continue the partnership for such additional term of years as they may then prescribe [called the "renewal term"]. A vote of at least 85 percent in interest of the partners will bind all partners to the continuation of the partnership. Unless otherwise prescribed by the laws of the state of Oregon, no amendment to the partnership's Certificate of Limited Partnership is required for the extension. Likewise, at any time prior to the expiration of a prescribed renewal term of the partnership, the partners, acting in concert, may vote to continue the partnership for such additional term of years as they may then prescribe. A vote of at least 85 percent in interest of the partners will bind all partners to the continuation of the partnership for the renewal term. Unless otherwise prescribed by the laws of the state of Oregon, no amendment to the partnership's Certificate of Limited Partnership is required for the extension.

(3) ***Vote to Extend and Reconstitute the Partnership, Act After the Expiration of the Initial Term.*** The partners may vote to reconstitute the limited partnership at any time after the expiration of the initial term or a renewal term if the partners did not vote, prior to the expiration of the initial term or renewal term, to continue the partnership. A vote of 85 percent in interest of the partners is required to reconstitute the partnership. The partnership may be reconstituted retroactive to the first day of the calendar year immediately following the expiration of the initial or renewal term of the partnership. However, if the initial or a renewal term has expired before the partners act to continue or reconstitute the partnership, any partner who does not consent to the reconstitution may withdraw and, upon withdrawal, will be entitled to cash or other property of the partnership equal in value to the fair market value of his, her, or its interest in the partnership as determined for the date of withdrawal. Unless otherwise prescribed by the laws of the state of Oregon, no amendment to the partnership's Certificate of Limited Partnership is required for the extension.

(4) ***Continuation, Renewal as a Reconstitution of the Partnership.*** If any renewal or extension of the term of the partnership is technically prohibited by the laws of the state of Oregon, the partnership will nonetheless be reconstituted as a partnership, governed by this instrument, in the form and manner permitted by the laws of the state of Oregon.

(5) ***Unilateral Right to Terminate Partnership Denied.*** For so long as the partnership continues, including continuation under a reconstitution of the partnership, no partner will have the unilateral right to compel a dissolution of the partnership or to compel a partition and distribution of the property of the partnership. Nor will any partner have an ownership interest in the property of the partnership. The partnership, as an entity for federal income tax purposes and for state law purposes, will not terminate by reason of: (1) the death or disability of a limited partner; (2) the removal, resignation, death, disability or other inability to continue service of a general partner or the addition of a general partner, unless, at the conclusion of 90 days from the act of withdrawal or termination, the partnership does not, in fact, have at least one general partner; (3) the bankruptcy or insolvency of any partner, general or limited; (4) a partner's marital separation or divorce; or, (5) any other act or omission to act, not having the approval or consent of all partners, which is or may be construed to be a termination of the partnership as an entity under Oregon law. To the greatest extent permitted by Oregon law, any act or omission to act which is construed to be a termination or dissolution shall nonetheless be construed as an intended reconstitution and continuation of the partnership, without the requirement of liquidation and winding-up.

15. DISTRIBUTIONS UPON TERMINATION AND DISSOLUTION OF THE PARTNERSHIP

Upon termination and dissolution of the partnership, the partnership, acting by and through its general partner or general partners then serving, will proceed to wind up the affairs of the partnership. The liabilities and obligations of the partnership to creditors and all expenses incurred by the partnership in its liquidation and dissolution will be paid and will have first priority in winding up. The partnership, acting by and through its general partner or general partners then serving, may retain from available cash and other assets of the partnership sufficient reserves for anticipated and contingent liabilities. Undistributed cash, and other property valued at its fair market value on the date of distribution, will be distributed to the partners in the following order:

(a) Distributions will first be made to repay any loans to the partnership by a partner, including the full amount of any deferred payment obligation.

(b) Distributions will then be made to the partners, both general and limited, in an amount equal to the credit balances in their capital accounts so that the capital account of each partner shall be brought to zero. For the purpose of determining distributions in liquidation, a negative capital account balance will be considered to be a loan from the partnership to a partner.

(c) The balance, if any, will be made to the partners in an amount equal to each partner's units of ownership or percentage interest in the partnership.

The partnership, acting by and through its general partner or general partners then serving, in making or in preparing to make a partial or final distribution may prepare an accounting and may require, as a condition to payment, a written and acknowledged statement from each distributee that the accounting has been thoroughly examined and accepted as correct; a discharge and release from any loss, liability, claim or question concerning the exercise of due care, skill, and prudence of a general partner in the management, investment, retention, and distribution of property during a general partner's term of service, except for any undisclosed error or omission having basis in fraud or bad faith; and an indemnity of a general partner, to include the payment of attorney's fees, from any asserted claim of any taxing agency, governmental authority, or other claimant. Any partner having a question or potential claim may require an audit of the partnership's books and records as an expense of administration. Failure to require the audit prior to acceptance of the report, or the acceptance of payment, will operate as a final release and discharge of the general partner then serving except as to any error or omission having basis in fraud or bad faith.

A general partner, in making or preparing to make a partial or final distribution, will have the authority to: (1) partition any asset or class of assets and deliver divided and segregated interests to partners; (2) sell any asset or class of assets (whether or not susceptible to partition in kind), and deliver to the partners a divided interest in the proceeds of sale and/or divided or undivided interests in any note and security arrangement taken as part of the purchase price; and/or (3) deliver undivided interests in an asset or class of assets to the partners subject to any indebtedness which may be secured by the property.

The partnership will continue beyond its scheduled termination date for a time reasonably necessary to conclude the administration of the partnership, pay expenses of termination and to distribute the partnership property to those entitled thereto.

16. MANAGEMENT, SERVICE OF A GENERAL PARTNER

A general partner will have the responsibility for the day to day management of the business of the partnership. The authority of general partner will be shared equally at any time two or more general partners serve at the same time. This does not limit the right of multiple general partners to allocate general duties and the unilateral responsibility for certain partnership functions, including the right to unilaterally manage designated partnership assets and the right, alone, to deposit or withdraw from one or more designated partnership accounts.

(1) ***Transfers By A General Partner.*** Except as limited by the Articles of Partnership, a general partner will have the authority at any time and from time to time to sell, exchange, lease and/or transfer legal and equitable title to the partnership property upon such terms and conditions, and for such consideration, as a general partner considers to be reasonable. The execution of any document of conveyance or lease by a general partner will be sufficient to transfer complete legal and equitable title to the interest conveyed without the joinder, ratification, or consent of the limited partners. No purchaser, tenant, transferee or obligor will have any obligation whatsoever to see to the application of payments made to a general partner.

(2) ***Retention of Property Contributed to the Partnership.*** A general partner will have the authority to retain, without liability, any and all property in the form which it is received by a general partner without regard to its productivity or the proportion that any one asset or class of assets may bear to the whole. A general partner will not have liability nor responsibility for loss of income from or depreciation in the value of the property which was retained in the form which the general partner received it.

(3) ***Employment of Consultants and Other Professional Help.*** A general partner will have the authority to employ such consultants and professional help as is reasonably necessary to assist in the prudent management, acquisition, leasing and transfer of partnership property and to obtain such policies of insurance as a general partner considers reasonably necessary to protect the partnership property from loss or liability.

(4) ***Legal Title to Partnership Assets.*** A general partner will be permitted to register or take title to partnership assets (1) in the name of the partnership, or (2) as trustee or nominee with or without disclosing the identity of his or her or its principal, or (3) to permit the registration of securities in "street name" under a custodial arrangement with an established securities brokerage firm, trust department or other custodian.

(5) ***Limitation on a General Partner's Liability.*** Insofar as state law will permit, a general partner who succeeds another will be responsible only for the property and records delivered by or otherwise acquired from the preceding general partner, and may accept as correct the accounting of the preceding general partner without duty to audit the accounting or to inquire further into the administration of the predecessor and without liability for a predecessor's errors and omissions.

(6) ***Affidavit of Authority.*** Any person dealing with the partnership may rely upon the affidavit of the general partner or general partners which states:

On my [our] oath, and under the penalties of perjury, I [we] swear that I [we] am [are] the duly elected and authorized General Partner[s] of CADONAU-CHARTER LIMITED PARTNERSHIP I [we] certify that I [we] have not been removed as General Partner[s] and have the authority to act for, and bind, CADONAU-CHARTER LIMITED PARTNERSHIP in the transaction of the business for which this affidavit is given as affirmation of my [our] authority.

Signature Line

Sworn and subscribed before me, the undersigned authority, by 31st *this* ___ *day of* Dec., *19*92

Notary Public

OFFICIAL SEAL
ANN M. SHAW
NOTARY PUBLIC - OREGON
COMMISSION NO.015124
MY COMMISSION EXPIRES MAY 03, 1996

(7) ***Compensation.*** A general partner will be entitled to a reasonable annual compensation for services rendered to the partnership, reasonable compensation to be measured by the time required in the management and administration of the partnership, the value of property under the general partner's administration, and the responsibilities assumed in the discharge of the duties of office. A general partner will also be entitled to a reimbursement for or direct payment of all reasonable and necessary business expenses incurred in the management and administration of the partnership. The partners acting in concert, and by vote of not less than 85 percent in interest, may award additional compensation to a general partner or may limit the compensation to be paid to a general partner.

(8) ***Bond.*** No one serving as general partner will be required to furnish a fiduciary bond or other security as a prerequisite to his, her, or its service.

(9) ***Indebtedness Limitations.*** A general partner may not incur partnership indebtedness in excess of a loan to value ratio of 50 percent (cumulative of all partnership liabilities and the cumulative value of the partnership assets measured at book value) without the affirmative consent of at least 85 percent in interest of all partners.

(10) ***Liquidating Sale of Partnership Assets.*** A general partner may not, prior to the actual termination of the partnership, sell substantially all of the partnership's investment assets in liquidation or cessation of business without having the affirmative consent of at least 85 percent in interest of all partners.

(11) ***Compromise of Disputes and Claims.*** A general partner may not compromise any claim or dispute having an amount or value in issue of 50 percent of the total value of the partnership's assets or more without the affirmative consent of at least 85 percent in interest of all partners.

17. RESTRICTIONS UPON OWNERSHIP AND TRANSFER OF OWNERSHIP

THE OWNERSHIP AND TRANSFERABILITY OF INTERESTS IN THE PARTNERSHIP, BOTH GENERAL AND LIMITED, ARE SUBSTANTIALLY RESTRICTED. NEITHER RECORD TITLE NOR BENEFICIAL OWNERSHIP OF A UNIT OR PERCENTAGE INTEREST OF ANY PARTNER MAY BE TRANSFERRED OR ENCUMBERED WITHOUT THE CONSENT OF AT LEAST 85 PERCENT IN INTEREST OF ALL PARTNERS.

This partnership is formed by those who know and trust one another, who will have surrendered certain management rights (in exchange for limited liability in the case of a limited partner) or who will have assumed sole management responsibility and risk (in the case of a general partnership interest) based upon their relationship and trust. Capital is also material to the business and investment objectives of the partnership and its federal tax status. An unauthorized transfer of a partner's interest could create a substantial hardship to the partnership, jeopardize its capital base, and adversely affect its tax structure. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the partnership's capital and its financial ability to continue.

The ownership and transfer of a limited partnership interest is further subject to the following disclosures, limitations and exceptions:

(1) ***Federal Law Disclosure and Limitations.***

THE LIMITED PARTNERSHIP INTERESTS OF CADONAU-CHARTER LIMITED PARTNERSHIP HAVE NOT, NOR WILL BE, REGISTERED OR QUALIFIED UNDER FEDERAL OR STATE SECURITIES LAWS. THE LIMITED PARTNERSHIP INTERESTS OF CADONAU-CHARTER LIMITED PARTNERSHIP MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED UNLESS SO REGISTERED OR QUALIFIED, OR UNLESS AN EXEMPTION FROM REGISTRATION OR QUALIFICATION EXISTS. THE AVAILABILITY OF ANY EXEMPTION FROM REGISTRATION OR QUALIFICATION MUST BE ESTABLISHED BY AN OPINION OF COUNSEL FOR THE OWNER THEREOF, WHICH OPINION AND COUNSEL MUST BE REASONABLY SATISFACTORY TO CADONAU-CHARTER LIMITED PARTNERSHIP.

(2) ***Death of a Partner.***

(a) *General Partner Who Is An Individual Person.* If a general partner then serving is an person (as opposed to an entity which survives the person, such as a trust, corporation, partnership or limited liability company), the unit (or units, if more than one) held by that person as general partner will, upon that person's death, be re-classified as a limited partnership unit (or units, if more than one).

(b) *Limited Partner Who is An Individual Person.* If a limited partner is an individual person (as opposed to an entity which survives the person, such as a corporation, partnership or limited liability company) *or* if that person is the beneficiary of a trust who has the limited or unlimited right to appoint the beneficiaries thereof upon his or her death, the unit or units of ownership held by that person as a limited partner may pass to any one or more of the following *without* the required consent of 85 percent in interest of the partners:

MEMBER OF THE INDIVIDUAL OWNER'S FAMILY, who may be one or more of the following:

- A spouse of an individual owner, other than a spouse who is legally separated from the individual under a decree of divorce or separate maintenance.
- Any descendent of an individual owner, including descendants by adoption.
- Any parent of an individual owner.
- Any brother or sister of an individual owner.
- Any descendant of a brother or sister (including descendants by adoption).

- Any trust created for the use and benefit of any member of the family, as above defined.

CHARITY OR CHARITABLE REMAINDER TRUST, including:

- Any organization described in each of the following sections of the Internal Revenue Code: Section 170(b)(1)(A); Section 170(c); Section 2055(a); and Section 2522(a).

- Any charitable remainder trust created under Section 664 of the Internal Revenue Code.

The interest may pass to any family member, charity, or charitable remainder trust under the last will and testament of the individual, duly admitted to probate, or under the beneficiary designation of a trust in which the individual has the right, limited or unlimited, to appoint the beneficiaries of the trust, or under a written and acknowledged designation of beneficiary or beneficiaries delivered by the individual to a general partner prior to the death of the beneficiary.

(3) ***Incapacity of a Partner.***

(a) *General Partner Who Is An Individual Person.* If a general partner then serving is an person (as opposed to an entity which survives the person, such as a trust, corporation, partnership or limited liability company), the unit (or units, if more than one) held by that person as general partner will, upon that person's disability or other inability to continue service, be re-classified as a limited partnership unit (or units, if more than one).

(b) *Limited Partner Who is An Individual Person.* If a limited partner is an individual person, the personal representative or representatives of an incapacitated limited partner, acting under a durable power of attorney or Letters of Guardianship, may exercise all of the limited partner's rights and voting authority for and on behalf of his or her principal and will be entitled to receive distributions of cash or other property from the partnership for and on behalf of the limited partner.

(4) ***Estate Planning Transfers.***

(a) *Limited Partner Who is An Individual Person.* If a limited partner is an individual person (as opposed to an entity which survives the person, such as a corporation, partnership or limited liability company) *or* if that person is the beneficiary of a trust who has the right, limited or unlimited, to make a disposition of all or any part of his or her interest in the trust during his life

time, he or she will have the right to make transfers of a limited partnership ownership interest, for value, without value, or for less than full consideration to any one or more of the following *without* the required consent of 85 percent in interest of the partners:

MEMBER OF THE INDIVIDUAL OWNER'S FAMILY, who may be one or more of the following:

- A spouse of an individual owner, other than a spouse who is legally separated from the individual under a decree of divorce or separate maintenance, including a transfer or partition of a marital property interest.

- Any descendent of an individual owner, including descendants by adoption.

- Any parent of an individual owner.

- Any brother or sister of an individual owner.

- Any descendant of a brother or sister (including descendants by adoption).

- Any trust created for the use and benefit of any member of the family, as above defined.

CHARITY OR CHARITABLE REMAINDER TRUST, including:

- Any organization described in each of the following sections of the Internal Revenue Code: Section 170(b)(1)(A); Section 170(c); Section 2055(a); and Section 2522(a).

- Any charitable remainder trust created under Section 664 of the Internal Revenue Code.

(b) *Transferee Bound by These Articles of Limited Partnership.* This agreement will bind the transferee of any estate planning transfer to the exact terms and conditions of this agreement. If a limited partner makes an estate planning transfer of a part or portion of his or her capital account, and then only if the partner's capital account has a positive balance which is more than the pecuniary amount transferred, but not of an ownership interest in the limited partnership, the donee will have the right to withdraw all or any part of the pecuniary amount within 30 days from the date the transfer has been made or within 30 days following the donee's actual notice that the transfer has

been made. Any amount not withdrawn within the 30 day period will held by the partnership for the account of the donee and will be subject to the provisions of these Articles as to distributions of capital accounts.

(5) ***Nonrecognition of an Unauthorized Transfer.*** The partnership will not be required to recognize the interest of any transferee who has obtained a purported interest as the result of a transfer of ownership which is not an authorized transfer. If the ownership of a partnership interest is in doubt, or if there is reasonable doubt as to who is entitled to a distribution of the income realized from a partnership interest, the partnership may accumulate the income until this issue is finally determined and resolved. Accumulated income will be credited to the capital account of the partner whose interest is in question.

(6) ***Acquisition of an Interest Conveyed to Another Without Authority.*** If any person, organization or agency should acquire the interest of a limited partner, including voting rights, as the result of an order of a court of competent jurisdiction which the partnership is required by law to recognize, or if a partner's interest in the partnership is subjected to a lawful "charging order" by a court of competent jurisdiction, or if a limited partner makes a unauthorized transfer of a partnership interest, with voting rights, which the partnership is required by law (and by order of a court of competent jurisdiction) to recognize, the partnership will have the unilateral option to acquire the interest of the transferee, or any fraction or part thereof, upon the following terms and conditions:

(a) The partnership will have the option to acquire the interest by giving written notice to the transferee of its intent to purchase within 90 days from the date it is finally determined that the partnership is required to recognize the transfer.

(b) The partnership will have 180 days from the first day of the month following the month in which it delivers notice exercising its option to purchase the interest. The valuation date for the partnership interest will be the first day of the month following the month in which notice is delivered.

(c) Unless the limited partnership and the transferee agree otherwise, the fair market value of a limited partner's interest, or any fraction or part thereof to be acquired by the partnership, is to be determined by the written appraisal of a person or firm qualified to value partnerships. The appraiser selected by the partnership must be qualified by training and experience to perform business appraisals of partnerships and ownership interests therein.

(d) Closing of the sale will occur at the business office of the partnership [as designated in these Articles] at 10 o'clock A.M. on the first Tuesday of the month following the month in which the valuation report is accepted by the transferee (called the "closing date"). The transferee must accept or reject the valuation report within 30 days from the date it is delivered. If not rejected in writing within the required period, the report will be accepted as written. If rejected, closing of the sale will be postponed until the first Tuesday of the month following the month in which the valuation of the partnership interest is resolved. The transferee will be considered a non-voting owner of the partnership interest, but will be entitled to all items of income, deduction, gain or loss from the limited partnership interest, plus any additions or subtractions therefrom until closing.

(e) In order to reduce the burden upon the resources of the partnership, the partnership will have the option, to be exercised in writing delivered at closing, to pay its purchase money obligation in 15 equal annual installments (or the remaining term of the partnership if less than 15 years) with interest thereon at market rates, adjusted annually as the first day of each calendar year at the option of the partnership. The term "market rates" will mean the rate of interest prescribed as its "prime rate" by First Interstate Bank of Oregon as of the first day of a calendar year. If Internal Revenue Code Sections 483 and 1274A apply to this transaction, the rate of interest of the purchase money obligation will be fixed at the rate of interest then required by law. The first installment of principal, with interest due thereon, will be due and payable on the first day of the calendar year following closing, and subsequent annual installments, with interest due thereon, will be due and payable, in order, on the first day of each calendar year which follows until the entire amount of the obligation, principal and interest, is fully paid. The partnership will have the right to prepay all or any part of the purchase money obligation at any time without premium or penalty.

(f) The general partner or general partners then serving may assign the partnership's option to purchase to one or more of the remaining limited partners (this with the affirmative consent of no less than 85 percent of all of the remaining partners, excluding the interest of the limited partner or transferee whose interest is to be acquired), and when done, any rights or obligations imposed upon the partnership will instead become, by substitution, the rights and obligations of the limited partners who are assignees.

(g) Neither the transferee of an unauthorized transfer or the limited partner causing the transfer will have the right to vote during the prescribed option period or, if the option to purchase is timely exercised, until the sale is actually closed.

18. ADDITION OF A LIMITED PARTNER, REALLOCATION OF PERCENTAGES OF OWNERSHIP DUE TO ADDITIONS AND CONTRACTIONS

Except as herein provided for transfers of a limited partnership interest by reason of death, disability, or as an estate planning transfer, the admission of a new limited partner will require the permission of at least 85 percent in interest of all partners. Upon admission, the units or percentages of ownership of the partners are to be reallocated by dividing the balance of each partner's capital account by the total of all of the capital accounts of all partners.

Likewise, upon acquisition or redemption of a partner's units or interest by the partnership, the units or percentages of ownership of the partners are to be reallocated by dividing the balance of each partner's capital account by the total of all of the capital accounts of all partners.

19. COUNTERPARTS, POWER OF ATTORNEY

The execution and acceptance of these Articles of Limited Partnership and Certificate of Limited Partnership may be evidenced by a separate certificate signed by a limited partner acknowledging that a true and correct copy of this agreement has been received, reviewed in its entirety, and accepted. Each limited partner, in accepting these Articles, makes, constitutes and appoints the general partner, with full power of substitution, as his, her, or its attorney-in-fact and personal representative to sign, execute, certify, acknowledge, file and record the Certificate of Limited Partnership, and to sign, execute, certify, acknowledge, file and record all appropriate instruments amending these Articles and the Certificate of Limited Partnership on behalf of the limited partner. In particular, a general partner as attorney-in-fact may sign, acknowledge, certify, file and record on the behalf of each limited partner such instruments, agreements, and documents which: (1) reflect the exercise by the general partner of any of the powers granted to a general partner under these Articles; (2) reflect any amendments made to these Articles; (3) reflect the admission or withdrawal of a general partner or limited partner; and, (4) as may otherwise be required of the partnership or a partner by the laws of the state of Oregon, federal law, or the laws of any other applicable jurisdiction. The power of attorney herein given by each limited partner is a durable power and will survive the disability or incapacity of the principal.

20. DISPUTES AND RESOLUTION OF DISPUTES

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

21. NOTICE

Any notice required or permitted in these Articles will be effective if written and hand delivered to the intended recipient or if placed in the United States Mail marked "Certified Mail, Return Receipt Requested" with postage prepaid. Notice will be deemed to be delivered to the intended recipient if addressed to the intended recipient at his or her last known mailing address, and the receipt is returned as having been delivered or is marked "Refused", "Addressee Unknown", "Unable to Forward", or other similar designation or notation. In this regard, it will be the affirmative duty of each partner to provide the partnership at all times with a current address for the delivery of notice and to notify the partnership of any change of address.

If this agreement does not specifically prescribe a time for performance or notice, the required time will be 30 days. Notice of the exercise of any option or right, notice of default or noncompliance, and any other notice required by this agreement or by law must be in writing.

Conclusion

This document is a contract which will be binding upon, and inure to the benefit of, each of the contracting parties, their heirs, personal representatives, successors, and assigns. The use of pronouns, masculine or feminine, will be construed in context and may include an individual, no matter his or her gender, or an entity (e.g., a corporation, trust, limited partnership, general partnership). The venue of any action brought to construe this contract, for specific performance of any contractual obligation or other cause directly related to this contract, will be Multnomah County, Oregon. The date of this agreement, for purposes of identification, is the 31 day of December, 1992.

Cadonau Management Trust, General Partner, by Carl H. Cadonau, Sr., Trustee	x C H Cadonau, Sr Trustee

State: Oregon

County: Multnomah

On this 31st day of December in the year 1992 before me, a Notary Public of said State, personally appeared Carl H. Cadonau, Sr. who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that Carl H. Cadonau, Sr. executed the same and for the purpose and consideration therein expressed and as the trustee *Cadonau Management Trust* and for and behalf of *Cadonau Management Trust* as the general partner of CADONAU-CHARTER LIMITED PARTNERSHIP.

WITNESS MY HAND AND OFFICIAL SEAL.

Ann M. Shaw
Notary Public

OFFICIAL SEAL
ANN M. SHAW
NOTARY PUBLIC - OREGON
COMMISSION NO.015124
MY COMMISSION EXPIRES MAY 03, 1996

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EXHIBIT "A"

LIST OF PARTNERS
CADONAU-CHARTER LIMITED PARTNERSHIP

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PARTNER	%OWNERSHIP
Cadonau Management Trust, as General Partner 6149 S.W. Shattuck Road Portland, Oregon 97221	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by the *Cadonau Management Trust* divided by the value of all capital contributed to the partnership, but no less than one unit of ownership.
Carl H. Cadonau, Jr. 6420 S.W. Canby Street Portland, Oregon 97219	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Carl H. Cadonau, Jr. divided by the value of all capital contributed to the partnership.
Randall E. Cadonau 4703 S.W. Humphrey Park Road Portland, Oregon 97221	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Randall E. Cadonau divided by the value of all capital contributed to the partnership.
Barbara Cadonau Samsel 2978 N.W. Juniper Lane Madras, Oregon 97741	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Barbara Cadonau Samsel divided by the value of all capital contributed to the partnership.
Anita J. Cadonau 4703 S.W. Humphrey Park Road Portland, Oregon 97221	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Anita J. Cadonau divided by the value of all capital contributed to the partnership.
Cadonau Master Heritage Trust 6149 S.W. Shattuck Road Portland, Oregon 97221	That number of units, or fraction thereof, acquired by the Cadonau Master Heritage Trust as gifts from Carl H. Cadonau, Sr. and Virginia Cadonau.
Carl Henry Cadonau III 6420 SW Canby Street Portland, Oregon 97219	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Carl Henry Cadonau III divided by the value of all capital contributed to the partnerhsip.

 REVISED 7/22/93

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EXHIBIT "A" (Continued)

LIST OF PARTNERS
CADONAU-CHARTER LIMITED PARTNERSHIP

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PARTNER	%OWNERSHIP
Cary Randall Cadonau 6420 SW Canby Street Portland, Oregon 97219	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Cary Randall Cadonau divided by the value of all capital contributed to the partnerhsip.
Tracey Allison Cadonau 6420 SW Canby Street Portland, Oregon 97219	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Tracey Allison Cadonau divided by the value of all capital contributed to the partnerhsip.
Jennifer Kathleen Samsel 2978 N.W. Juniper Lane Madras, Oregon 97741	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Jennifer Kathleen Samsel divided by the value of all capital contributed to the partnerhsip.
Eric Scott Samsel 2978 N.W. Juniper Lane Madras, Oregon 97741	That number of units, or fraction thereof, determined by the value of capital contributed to the partnership by Eric Scott Samsel divided by the value of all capital contributed to the partnerhsip.
TOTAL PERCENTAGE OF OWNERSHIP INTERESTS	100 percent

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Note: The subscribed units, shares, or percentages of partnership indicated by this schedule may be adjusted, upon the conclusion of funding by original capital contributions, according to the fair market value of each partner's capital contribution credited to his, her, or its capital account divided by the fair market value of all property contributed by original contribution to the partnership.

REVISED 7/22/93

EXHIBIT "A"
List of Partners
Cadonau-Charter Limited Partnership

The are 100 units of ownership in this partnership. The number of units and the value thereof at the date of contribution held by each partner is set forth below. Each partner shall own that number of units, or fraction thereof, determined by the value of capital contributed to the partnership by each partner divided by the value of all capital contributed to the partnership, but no less than one unit of ownership.

Partner	Ownership	$ Value
Cadonau Management Trust, as General Partner 6149 S.W. Shattuck Road Portland, OR 97221	2 units	$32,911.44
Cadonau Master Heritage Trust 6149 S.W. Shattuck Road Portland, OR 97221	63.38 units	$1,042,913.42
Carl H. Cadonau, Jr. 6420 S.W. Canby Street Portland, OR 97219	5.47 units	$90,000.60
Randall E. Cadonau 4703 S.W. Humphrey Park Road Portland, OR 97221	5.47 units	$90,000.60
Barbara Cadonau Samsel 2978 N.W. Juniper Lane Madras, OR 97741	5.47 units	$90,000.60
Anita J. Cadonau 485 N.W. Pacific Grove Dr. Beaverton, OR 97006	5.47 units	$90,000.60
Carl H. Cadonau, III 18075 N.W. Sylvania Lane Portland, OR 97229	2.55 units	$41,948.90
Cary R. Cadonau 6420 S.W. Canby Portland, OR 97219	2.55 units	$41,948.90
Tracey Allison Cadonau 6420 S.W. Canby Portland, OR 97219	2.55 units	$41,948.90
Jennifer K. Samsel 2978 N.W. Juniper Lane Madras, OR 97741	2.55 units	$41,948.90
Eric S. Samsel 2978 N.W. Juniper Lane Madras, OR 97741	2.55 units	$41,948.90
Total	100 units	$1,645,572.76

TRUST DECLARATION
Cadonau Family Management Trust

THIS TRUST DECLARATION is made this day by declaration of the undersigned.

The term "settlor" identifies any person, organization or entity who or which contributes property to this trust, including contributions of property after the trust is initially funded.

The term "trustee" identifies any person or organization who or which serves as trustee of this trust. The term, used in the singular, includes the plural.

The trustee by original appointment is Carl H. Cadonau, Sr..

ARTICLE A.
PURPOSE

This trust is specifically designed to be, and is specifically permitted to be, a partner of a general or limited partnership (one or more) and/or a member of a limited liability company (one or more). The trust is specifically authorized to serve as general partner of a limited partnership, as a managing partner of a general partnership, and/or as a manager of a limited liability company.

Notwithstanding the general limitation on the liability of a settlor as prescribed by this trust instrument, a settlor of this trust will have personal liability for the acts of the trust serving as a general or managing partner of a limited partnership or as a managing partner of a general partnership. This liability will continue until the death of the settlor or until the settlor irrevocably relinquishes any and all rights as a beneficiary of the trust and relinquishes all rights to serve as trustee of the trust.

As to interest which the trust owns in an limited partnership, general partnership, or limited liability company, this prescription of personal liability does not limit or abrogate the laws of the state of Oregon which requires that a creditor obtain the consent of *all* (or, in the case of a general partnership, a required percentage) of the partners for a creditor or other assignee to become a limited or general partner of the partnership or the consent of the members of a limited liability company for a creditor or other assignee to become a member of the limited liability company.

For so long as this trust owns an interest in a partnership, limited partnership, and/or limited liability company, compensation paid to the trust for its service as general partner of a limited partnership, as a managing partner of a general partnership, or as a manager of a limited liability company is to be paid to the trustee or trustees then serving. Amounts paid as income produced by the capital of the partnership are to be allocated to the beneficiaries of the trust.

ARTICLE B.
INITIAL TRUST CORPUS AND RIGHT TO ADD TO THE TRUST

1. INITIAL TRUST CORPUS. The contributions made to this trust by settlor are identified in *Exhibit "A"* attached hereto.

2. ADDITIONS TO TRUST CORPUS: Property of any type or character may be added to this trust, subject only to the acceptance thereof by the trustee.

3. REQUIRED CONTRIBUTIONS TO THE TRUST: Each settlor of the trust is to contribute additional property to the trust in an amount required of the trust to acquire and maintain an ownership interest in a partnership or limited liability company in which the trust invests. The contribution obligation of each settlor is an amount equal to his, her, or its percentage identified in *Exhibit "A"*. If a settlor does not, or cannot, make a required contribution, the contribution may be made by others who are settlors.

ARTICLE C.
TERM, REVOCATION, AMENDMENT, BENEFICIAL OWNERSHIP

1. TERM OF THE TRUST: This trust is to exist for a term of 50 years. The trust will terminate at 11:59 P.M. of December 31 of the last year of the prescribed term of years.

2. TRUST IS REVOCABLE: This trust is revocable and may be amended. Revocation and amendment requires the consent of 85 percent in interest of the beneficiaries of the trust.

3. EXHIBIT "A: INFORMATION: *Exhibit "A"* to this trust instrument provides the following information:

   (1) The name of each person who has made an initial contribution to this trust.

   (2) The value of property initially contributed to this trust.

(3) The identity of each trust beneficiary (beneficial owner) pertaining to a contribution of property to the trust. This beneficiary is entitled to his, her or its share of all items of income, gain, loss, deduction and credit distributable from the trust except for service income to be paid to the trustee of the trust. Unless otherwise prescribed by this trust instrument, each settlor of this trust will have the unilateral right to change the designation of beneficiary. However, if a settlor makes an irrevocable designation of beneficiary, the settlor making an irrevocable designation (or who releases the power to redesignate the beneficiary) cannot thereafter change the designation of trust beneficiary or the designation of the remainder beneficiary.

(4) The percentage of beneficial ownership of each trust beneficiary.

(5) The remainder beneficiary. The term "remainder beneficiary", use in the singular, is the person, persons, trust, trusts, or other entities who are entitled to the designated share or interest in the trust upon the death of the beneficial owner. The interest of a remainder beneficiary is to continue in trust for the stated term of this trust. Any share or interest of a remainder beneficiary is to be distributed to the remainder beneficiary upon termination of the trust.

The trustee is to update *Schedule "A"* to show changes in any of the five categories above listed.

ARTICLE D.
TRUSTEE

1. BOND: A trustee is to serve without bond.

2. COMPENSATION: Any person who serves as trustee may elect to receive a reasonable compensation, reasonable compensation to be measured by the time required in the administration of the trust and the responsibility assumed in the discharge of the duties of office. A corporate trustee will be entitled to receive as its compensation such fees as are then prescribed by its published schedule of charges for trusts of a similar size and nature and additional compensation for extraordinary services performed by the corporate trustee. The trustee will be entitled to full reimbursement for reasonable expenses, costs, or other obligations incurred as the result of service, including attorney's, accountant's and other professional fees.

3. SUCCESSION: Any person who serves as trustee by original appointment will have the authority to

- Appoint that person's successor as trustee, which appointment will supersede the order of succession herein prescribed;
- Appoint a different order of succession, which appointment will supersede the order of succession herein prescribed;
- Appoint a trustee to serve
- Provide that a designated successor, upon assumption of his, her, or its service as trustee, will have the right to appoint his, her or its successor as trustee (or a different order of succession);
- Provide such conditions prerequisite to service upon a successor trustee (such as the requirement of bond), or that a designated successor as trustee may do so as to any successor which he, she, or it selects.

To be binding and effective, a designation of successor trustee or cotrustee must be in writing and must be acknowledged. The instrument of designation must be executed during the time that person is actually serving as trustee and prior to the time that person ceases to serve as trustee.

If a trustee by original appointment fails to appoint a successor or successors as trustee, or a co-trustee, the following are to serve as trustee and in the order and/or manner of service herein prescribed.

(1) Carl H. Cadonau, Jr., Randall E. Cadonau, Anita J. Cadonau and Barbara Cadonau Samsel, their service to be joint.

If any Co-Trustee is unable or unwilling to serve, the remaining Co-Trustees shall serve until there is only one Trustee.

At such time that there is only one Trustee then serving, then the group comprising of the then surviving grandchildren of Settlor, Carl H. Cadonau, Sr., shall serve as a Co-Trustee with a 50 percent vote with the remaining Trustee who shall have a 50 percent vote.

At such time that there is no child of Settlor, Carl H. Cadonau, Sr., who is serving as Trustee, then the grandchildren of Carl H. Cadonau, Sr. shall then serve as Co-Trustee by majority vote. If any grandchild of Carl H. Cadonau, Sr. is unable or unwilling to serve, the remaining Co-Trustees shall continue to serve.

The Co-Trustees, by majority vote, will have the following rights:

(a) Appointment of a managing trustee or trustees. The Trustees may appoint one or more of their number to serve as the managing trustee or managing trustees of the trust. The managing trustee or managing trustees will have the right to administer the trust and to make decisions as the authorized representative of the trust with regard to the service of the trust as the general partner of a limited partnership. However, a conveyance of property of the trust in excess of $50,000 will require the affirmative consent of at least a majority of the Trustees then serving. In the absence of an appointment of a managing trustee or managing trustees, all Trustees serving will have the responsibility to manage and administer the trust.

If there is a voting dead-lock, Virginia Mae Cadonau will have the right to serve in a limited fiduciary capacity to caste a tie-breaking vote. If she is unable to do so by reason of her death or inability to serve, any controversy claim, or deadlock arising out of or relating to this instrument, or the breach thereof, or voting deadlock, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the America Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(2) If at any time there is not a Trustee acting under this Agreement, then First Interstate Bank of Oregon, N.A. is to serve as the Trustee of this Trust. The appointment of First Interstate Bank of Oregon, N.A., as Trustee, will include any successor to First Interstate Bank of Oregon, N.A., by reason of its merger, re-organization, or sale to another banking corporation with trust powers or a trust company with trust powers.

If, at any time, there is no Trustee acting under this agreement, and there is no person or institution designated and qualified as a successor Trustee, a majority of the beneficiaries then eligible to receive distributions of income under this Agreement, or their Personal Representatives, shall appoint a successor Trustee.

A successor will have the authority vested in a trustee by original appointment under this instrument. A successor Trustee will not be obliged to examine the accounts, records and acts of the previous Trustee or Trustees, nor will a successor Trustee in any way or manner be responsible for any act or omission to act on the part of any previous Trustee.

4. RESIGNATION OR REMOVAL OF A TRUSTEE: Any appointee serving or entitled to serve as trustee may resign at any time and without cause, and the instructions in this trust declaration will determine who the successor will be (including successors appointed by a trustee as herein provided). The trust beneficiary or beneficiaries who are then entitled to receive distributions of income from the trust, or distributions of income from any separate trust created by this document, may remove any corporate trustee then serving, the notice of removal to be delivered in writing to the corporate trustee. Unless this trust declaration, or any amendment to the trust declaration, or any instrument appointing a successor provides otherwise, the selection of a successor to the corporate trustee will be made by a Court of competent jurisdiction. In the event there is more than one beneficiary entitled to the income from the trust, all income beneficiaries must join in the written notice of removal. The consent of any person who is deceased or legally disabled will not be required in meeting the unanimous consent requirements for removal.

5. AFFIDAVIT OF AUTHORITY: Any person or entity dealing with the trust may rely upon the affidavit of a trustee or trustees of the trust:

On my [our] oath, and under the penalties of perjury, I [we] swear that I [we] am [are] the duly appointed and authorized trustee[s] of Cadonau Family Management Trust. I [we] certify that I [we] have not been removed as trustee[s] and have the authority to act for, and bind, Cadonau Family Management Trust in the transaction of the business for which this affidavit is given as affirmation of my [our] authority.

_____

Signature Line

Sworn and subscribed before me, the undersigned authority, by _____ *this* ____ *day of* _____, *19*__.

_____

Notary Public

6. DOCUMENTING SUCCESSION: The successor to any trustee may document succession with an affidavit setting forth that the preceding trustee has failed or ceased to serve and the successor has assumed the duties of trustee. The affidavit may be filed in the deed records of Multnomah County, Oregon and in each county in which real property held in trust is located or in the county in which the principal assets and records of the trust are located. The public and all persons interested in and dealing with the trust and the trustee may rely upon a certified copy of the recorded affidavit as conclusive evidence of a successor's authority to serve and act as the trustee of the trust.

7. MULTIPLE TRUSTEES: In the event there are two trustees serving the trust, both must sign any instrument transferring real property from the trust. If the trustees agree to do so, one trustee acting alone may be given the primary responsibility of administration and accounting, and one trustee alone may be authorized to deposit, transfer and withdraw funds from any depository account held by the trust. The authority vested in three or more trustees may be exercised by a majority of the trustees. In the event of an action or decision by a majority, the non-consenting trustee will not be responsible for the act of the majority.

ARTICLE E.
LIQUIDATING DISTRIBUTIONS FROM THE TRUST

1. ACCOUNTING: The trustee, in making or preparing to make partial or final liquidating distributions, may prepare an accounting and may require, as a condition to payment, a written and acknowledged statement from each distributee that the accounting has been thoroughly examined and accepted as correct; a discharge of the trustee; a release from any loss, liability, claim or question concerning the exercise of due care, skill, and prudence of the trustee in the management, investment, retention, and distribution of property during the trustee's term of service, except for any undisclosed error or omission having basis in fraud or bad faith; and an indemnity of the trustee, to include the payment of attorney's fees, from any asserted claim of any taxing agency, governmental authority, or other claimant. Any beneficiary having a question or potential claim may require an audit of the trust as an expense of administration. Failure to require the audit prior to acceptance of the trustee's report, or the acceptance of payment, will operate as a final release and discharge of the trustee except as to any error or omission having basis in fraud or bad faith.

2. DISTRIBUTIONS IN KIND, UNDIVIDED INTERESTS: The trustee, in making or preparing to make a liquidating partial or final distribution will have the authority to: (1) partition any asset or class of assets and deliver divided and segregated interests to the beneficiaries; (2) sell any asset or class of assets (whether or not susceptible to partition in kind), and deliver to the beneficiaries a divided interest in the proceeds of sale and/or divided or undivided interests in any note and security arrangement taken as part of the purchase price; and/or (3) deliver undivided interests in an asset or class of assets to the beneficiaries subject to any indebtedness which may be secured by the property.

3. CONTINUATION OF THE TRUST UNTIL FINAL DISTRIBUTIONS ARE MADE: This trust may continue beyond its termination for a time reasonably necessary to conclude the administration of the trust, to pay expenses of termination and to distribute the trust property to those entitled thereto.

4. CONTINGENT TRUST FOR CERTAIN BENEFICIARIES: A liquidating distribution to any beneficiary who has not attained the age of 50 years (the "required age"), or who may be otherwise incompetent, may, in the sole and absolute discretion of the trustee be held as a separate trust for the exclusive use and benefit of that person until such person shall attain the required age or until such person is no longer incompetent. For so long as the trust shall exist, the trustee shall hold, manage, and make distributions of income and principal to or for the support, maintenance, health and education of the beneficiary. The trustee may make an entire distribution of principal to a trust beneficiary prior to the required age if, in the trustee's determination alone, the beneficiary has demonstrated an ability to conserve his or her resources or if it is no longer feasible for the trust to continue considering the

size of the trust and the time and cost to maintain the trust. The trust beneficiary, with consent of the trustee, may also extend the term of the trust.

The term "incompetent" is defined to identify any person whose physical or mental condition would *probably* (in the opinion of the trustee based upon reasonable evidence) require a court supervised guardianship of his or her property.

For so long as the trust is held for a beneficiary pursuant to these terms, the trust beneficiary, using a qualified beneficiary designation, will have the unlimited right to appoint the beneficiaries of his or her interest in the trust, *i.e.*, those entitled to trust property then remaining upon his or her death. If the beneficiary dies prior to a final distribution of his or her interest from the trust, and if he or she has not made a qualified beneficiary designation, that person's interest will pass *per stirpes* to his or her descendants then living, or if none, *per stirpes* to the descendants, then living, of the parents of the beneficiary.

Notwithstanding the previous requirements as to the term of a trust for a beneficiary who has not attained the age of 50 years, and who is not otherwise incompetent, the beneficiary will have the right to withdraw from the trust: one-third of the value of the trust Property at age 40; one-half of the value of the trust property remaining at age 45; and all of the trust property remaining at age 50 (or from time to time or at any time thereafter). The trust will continue in full force and effect until such time as all of the trust property is completely distributed, whether distributed as the result of withdrawal or completely distributed following the trust beneficiary's death.

ARTICLE F.
TRUSTEE'S RELATIONSHIP WITH SETTLOR AND BENEFICIARIES

1. RELATIONSHIP WITH SETTLOR: The trustee is authorized to deal with the settlor, to purchase property from the settlor, or sell property to the settlor, but always at the fair market value of such property, and for an adequate and full consideration in money or money's worth.

   The limitations upon the authority of the trustee to deal with a settlor which pertain to a wholly irrevocable trust, will not, however, apply to any right or power retained by the settlor and for long as the specific power or right is possessed by the settlor during the settlor's lifetime.

2. RELATIONSHIP WITH BENEFICIARIES: The trustee may enter into financial transactions with any beneficiary of the trust. A sale, loan, or other financial transaction must be consistent with all other provisions of this trust instrument which govern the application and use of trust property for a beneficiary.

3. RELATIONSHIP WITH BENEFICIARIES WHO ARE MINORS OR INCOMPETENTS: Distributions to an incompetent beneficiary, as defined below, or a minor beneficiary may be made in any of the following ways as in the trustee's opinion will be most beneficial to the interests of the beneficiary: (a) directly to such beneficiary; (b) to his or her parent, guardian or legal representative; (c) to a custodian for said beneficiary under the Uniform Gifts to Minors Act and/or Gifts of Securities to Minors Act in the jurisdiction of residence of the beneficiary; or (d) by the trustee using such payment directly for the benefit of such beneficiary, including payments made to or for the benefit of any person or persons whom the beneficiary has a legal obligation to support. The trustee may in the trustee's sole discretion instead hold such income or corpus for the account of such beneficiary as that person's custodian. A receipt from a beneficiary or from his parent, guardian, legal representative, relative or close friend or other person described above shall be a sufficient discharge to the trustee from any liability for making payments.

The trustee is likewise authorized to consult with and act upon the advice of the parent, guardian, custodian, or legal representative of any beneficiary who is either an incompetent or a minor with respect to any and all matters which may arise under this trust instrument and as concerns the rights or interests of the beneficiary. All statements, accounts, documents, releases, notices, or other written instruments (including but not limited to written instruments concerning the resignation or replacement of any trustee or trustees, required to be delivered to or executed by such beneficiary) may be delivered to, or be executed by the parent, guardian, custodian, or legal representative of said incompetent or minor beneficiary. When so delivered or executed, the act of the representative will be binding upon the incompetent or minor beneficiary, and will be of the same force and effect as though delivered to or executed by a beneficiary acting under no legal disability.

A person shall be considered as "incompetent" if he or she is an adult beneficiary who is incapacitated to the extent that he or she cannot give prompt and intelligent consideration to business matters or if, due to that person's physical or mental limitations, it is probable (in the opinion of the trustee) that a court supervised guardianship would be required for that person's property. The trustee may act upon such evidence as the trustee reasonably considers appropriate and reliable without liability by reason thereof.

4. ACCOUNTING REPORTS: The trustee will be responsible for the maintenance of adequate records showing the financial condition of the trust or trusts, character of trust income, amounts of tax withheld and paid, and all expenses of the trust as evidenced by dated receipts. Such records shall be open for inspection at all reasonable times by the beneficiaries of the trust or their personal representatives or their legal representatives.

The trustee will also be responsible for the preparation of an annual accounting report and to deliver a copy of the accounting, upon demand therefor, to each any person who is a beneficiary of the trust. In addition, the trustee will be responsible for the preparation and filing of any documents in connection with the creation or operation of the trust as may be required by the laws of the jurisdiction in which this trust (or any separate trust) is then located.

5. SPENDTHRIFT PROVISIONS: In no case will any beneficiary have any right to alienate, transfer, assign, encumber or hypothecate any interest which he or she may have in the trust (present, future, or contingent), nor will such interest of any beneficiary be subject to the claims of his or her creditors or be liable to attachment, execution or other process of law.

Nor may a trust beneficiary pledge, assign, transfer, sell, or in any manner whatsoever his or her or its income interest in the trust or his or her interest in the principal of the trust (present, future, or contingent). The income and principal of this trust may not be in any manner be subject to or liable in the hands of the trustee for the debts, contracts, or encroachments of any beneficiary or for any claim for alimony or for support of children pursuant to a court decree or separation agreement, or be subject to any assignment or any other voluntary or involuntary alienation or disposition whatsoever by any legal or equitable process prior to the actual distribution of trust income and/or principal to a beneficiary.

ARTICLE G.
TRUSTEE'S ADMINISTRATIVE AND INVESTMENT POWERS

The trustee will have broad administrative powers with respect to the administration of the trust and the investment of the trust assets.

1. GENERAL AUTHORITY: A trustee is to serve without court supervision. The service of a trustee is to be governed first by the terms, conditions, and authority prescribed by this trust instrument, and then as prescribed by the trust laws of the jurisdiction in which this trust is formed or in which the trust may thereafter be located.

2. RIGHTS OF PERSONS DEALING WITH THE TRUSTEE: The trustee may execute and deliver any and all instruments in writing which the trustee considers necessary to carry out any of the powers granted herein. No party to any such instrument in writing signed by the trustee shall be obligated to inquire into its validity, or be bound to see to the application by the trustee of any money or other property paid or delivered by or to the trustee pursuant to the terms of any such instrument. It is further expressly provided that anyone dealing with the trustee is not required to inquire into the terms of this trust instrument, the authority of the trustee, or to see to the application which the trustee makes of funds or other property received by the

trustee, but shall be entitled to deal with the trustee assuming that the trustee has full authority to act.

Any person dealing with this trust shall in addition be entitled to rely upon a copy of the original trust instrument, certified as a true and correct copy of the original by the trustee, and upon any instruments duly executed in accordance with the provisions thereof, to the same extent as such person might rely upon the original trust instrument.

3. DETERMINATION OF PRINCIPAL AND INCOME: The trustee will have the authority to determine, in the trustee's discretion, what constitutes the corpus of the trust fund, the gross income therefrom, and the net income distributable under the terms of this trust instrument and under the laws of the state or other jurisdiction of this trust. Unless otherwise stated or provided by law, the gain or loss realized from the sale of property will be an addition to, or reduction of, the trust corpus. The accumulation of income will be considered as an addition to corpus. The trustee may also establish such reasonable reserves as the trustee shall consider necessary to take into account the depreciation of tangible property and to amortize amounts paid for the purchase of securities or other property, providing however, that the creation of a reserve is not inconsistent with any mandatory requirements of this trust instrument as to the payment of income to the beneficiary or beneficiaries of this trust.

4. PAYMENT OF TAXES AND EXPENSES: Except as otherwise provided herein, the trustee is authorized to pay all property taxes, assessments, fees, charges, and other expenses incurred in the administration or protection of this trust. All such payments will be a charge against the trust fund and will be paid by the trustee out of the income therefrom, or, in the event and to the extent that the income may be insufficient, then out of the corpus of the trust fund, at any time prior to final distribution of the trust property. The determination of the trustee with respect to all such matters shall be conclusive upon the beneficiaries of this trust.

5. PROVISIONS PROTECTIVE OF TRUSTEE: Once any distribution of assets or allocation of assets made in accordance with this trust instrument has taken place, the trustee will have no further responsibility with regard to such assets. If the trustee shall be compelled at any time during the existence of this trust or any time thereafter to pay any tax or penalty with respect thereto for any reason, the trustee will be entitled to be reimbursed from the trust fund. If the trust fund is then insufficient or if the trust has been terminated, the trustee will be reimbursed by the beneficiaries to whom distributions from the trust fund have been made. The trustee, before making any distribution or allocation of either income or corpus, may require a refunding agreement or may withhold distribution or allocation pending determination or release of any tax lien or other lien.

6. LIABILITY FOR ACTS OR OMISSIONS: These provisions provide for the protection of anyone who has, or may have, a fiduciary obligation to the trust and to its beneficiaries.

A fiduciary will never be liable to the trust or any trust beneficiary of the trust for any act or decision if:

- As to tax matters, the fiduciary relied upon the advice of tax counsel.
- As to legal matters, the fiduciary relied upon the advice of legal counsel.
- As to investment matters, the fiduciary relied upon the advice of an investment advisor.
- As to life insurance matters, the fiduciary relied upon the advice of a life underwriter.
- As to general insurance matters, the fiduciary relied upon the advice of a qualified insurance advisor.
- As to valuation matters, the fiduciary relied upon the valuation opinion or report of a qualified appraiser.

A fiduciary will never be liable to the trust or to any trust beneficiary for any act or decision if the fiduciary did not realize an economic benefit or personal gain from the transaction, action or decision. A fiduciary's right to ordinary and reasonable compensation, and the payment of, or the receipt of, ordinary and reasonable compensation is *not* an act of self-dealing.

7. ACCOUNTING PERIOD: The accounting period for the trust will be the calendar year. The accounting method will be on a cash basis (as opposed to accounting on an accrual basis). Assets of the trust may be carried at historical cost.

8. EMPLOYMENT OF ADVISORS: The trustee may employ, as an expense of trust administration, such advisors and service providers as the trustee considers necessary and appropriate to administer the trust. These advisors and service providers include (*without* expressly excluding others):

- Legal and tax advisors and counsel, including trial counsel;
- Investment advisors and brokers, including the delegation of investment authority to a qualified investment advisor or agent;
- Accounting professionals, including those who provide tax preparation services;

- Custodial agents having the authority to hold the investments of the trust for and on behalf of the trust;
- Appraisers;
- Mental health professionals with regard to the health and welfare of a trust beneficiary and/or as an advisor as to the resolution of conflicts in the family:
- Environmental experts with regard to the investment or ownership of trust property.

9. RELIANCE ON OPINION OF COUNSEL: The trustee may obtain the opinion of legal and tax counsel concerning the interpretation, construction or effect of any provision of this trust instrument, or concerning any dispute or disagreement with regard to the administration or termination of the trust. The trustee is authorized, subject to any directions of a court of competent jurisdiction to the contrary, to act in accordance with and in reliance upon the opinion of counsel.

10. VALUATION: The trustee has the authority to determine the value of the trust assets and liabilities whenever valuation is an issue. The trustee may rely, without liability whatsoever, upon the appraised fair market value of an asset or liability obtained from an appraiser qualified by experience and training to value the asset or liability in question.

11. TRUSTEE DEALING WITH THE TRUST: The trustee is authorized to deal with the trust in general business matters provided only that in all such transactions the trustee shall observe at all times the trustee's fiduciary obligations to the trust. If the trustee is a corporation authorized by law to carry on a banking business, the trustee is further authorized to loan or advance its own funds to the trust for any purpose, at the then current rate of interest, and any such loan or advance, together with interest, shall be a first lien against the trust fund and shall be repaid therefrom. If the trustee is a corporation authorized by law to carry on a banking business, the bank may also serve as the depository for cash.

12. TRUSTEE NOT LIABLE OTHER THAN AS PERSONAL REPRESENTATIVE OF THE TRUST: With regard to any contract, agreement, undertaking, covenant or representation, entered into or made by, or on behalf of the trustee for the benefit of the trust, any rights, liabilities or obligations created by virtue of such contract, agreement, undertakings, covenant or representation will be solely the rights, liabilities and obligations of the trust. Any such contract, agreement, undertaking, covenant or representation will not bind, or inure to the benefit of, the trustee in the trustee's personal or individual capacity.

13. RETENTION OF ASSETS: The trustee will have the authority to retain, without liability, any and all property in the form in which it is received by the trustee and without regard to its productivity or lack of investment diversity. The trustee will not have liability or responsibility for loss of income from, or depreciation in the value of property, which was retained in the form in which the trustee received it.

14. UNDIVIDED INTERESTS: The trustee will have the authority to hold, acquire, and dispose of undivided interests in property.

15. GENERAL INVESTMENT AUTHORITY: The trustee may acquire, hold, rent, lease, sell, convey, exchange, convert, improve, repair, manage, create, control, and invest and reinvest the trust fund in such property, either real or personal, whether or not such property is of the kind ordinarily permitted by law for the investment of trust funds. Included is the authority to acquire and exercise options to purchase any type of property authorized hereunder, either real or personal, whether subject to any type of indebtedness or other security interest. The trustee may make any payment, receive any money, take any action, and make, execute, deliver and receive any contract, deed, instrument or document which may be considered necessary or advisable to exercise any of the powers conferred hereunder or to carry into effect any provisions herein contained and which in the judgment of the trustee are necessary or prudent for the proper administration of the trust fund.

16. LENDING, INVESTING: The trustee will have the authority to lend, borrow, lease, sell, and purchase property, including undivided fractional interests in property, upon such terms and conditions as are reasonably prudent under the facts and circumstances then existing. The trustee may transact business, including lending, borrowing, leasing, and sale, between two or more related trusts or two or more related persons upon such terms and conditions as are reasonably prudent under the facts and circumstances then existing. Without limiting the general authority above given, the trustee will have the authority to hold, acquire and sell:

- Publicly traded securities, including stocks, bonds, warrants, futures, mutual funds, partnerships, real estate investment trusts, diversified asset funds, including international investments and investment funds.

- Interests in a closely held corporation, partnership, or trust, whether registered or not registered for public sale, including any corporation, partnership, limited partnership, limited liability company, investment trust, or other entity in which members of the family have a controlling interest.

- Obligations of the United States government or of any foreign government.

- Cash deposits, money market funds, brokerage company accounts, certificates of deposit, savings accounts, and checking accounts, without limitation as to the location of the account or depository.

- Promissory notes, secured and unsecured, including mortgage notes purchased at a discount.

- Land, improved and unimproved, whether presently income producing or held for potential appreciation in value.

- Land, building and equipment leases.

- Minerals, mineral rights and working interests in mineral producing property or property held for future development.

- Equipment, implements, stock in trade, leasehold improvements, and livestock.

- Annuities and insurance policies.

In addition to the broad investment powers granted hereunder and without in any way limiting these powers, the trustee may with respect to real property of any kind, wheresoever located, sell, convey, release, mortgage, encumber, lease, partition, improve, manage, protect, and subdivide such property or any interests therein or parts thereof and may dedicate for public use or vacate any subdivision or parts thereof. The trustee is also authorized to re-subdivide, contract to sell, grant options to purchase, sell on any terms, convey, mortgage, pledge, or otherwise encumber such property, or any part thereof, from time to time, in possession or reversion, by leases to commence either presently or at some future time, and upon any terms and for any period or periods of time including a term beyond the duration of this trust, and to renew leases and options to purchase the whole or any part of any reversion. These powers include the power to purchase or lease rights for the exploration for and the removal of gas, oil and all other minerals. The trustee may likewise partition or exchange said real property, or any part thereof, for other real or personal property, grant easements or charges of any kind, release, convey or assign any right, title or interest in or about an easement appurtenant to the property or alter, repair, add to or take from buildings on the premises, purchase or hold real property, improved or unimproved, or act as trustee of any land trust of which the trust is a beneficiary, to convey title to the real estate subject to such land trust and to execute all documents pertaining to the property subject to such land trust and act in all matters regarding such trust, and execute assignments of all or any part of the beneficial interests in such land trusts.

17. INVEST BEYOND DURATION OF TRUST: The trustee may make such contracts and enter into such undertakings relating to the trust fund, or any part thereof, as the trustee considers advantageous to the trust without regard to the duration of the trust.

18. HOLD PROPERTY AS NOMINEE: The trustee may hold securities or other property, real or personal, comprising the trust fund in the trustee's name, as trustee, or in the trustee's name as nominee, or in the name of another as nominee. The trustee may hold securities or other personal property in registered or unregistered form, in bearer form, or in any other condition that will permit ownership to pass by delivery, and shall likewise be authorized to enter into any land trust, real property holding agreement or similar arrangement with respect to real property. The records of the trust *must* at all times disclose how all the property of the trust is held.

The trustee will generally have the power to refrain from disclosing the fiduciary relationship involved in any action undertaken pursuant to this trust instrument in any circumstance in which the trustee considers it expedient to do so.

19. PARTITION OF PROPERTY: The trustee may partition property with any co-owner or joint owner.

20. BANK ACCOUNTS: The trustee may open and maintain one or more savings accounts, checking accounts, term accounts, or current accounts with any bank, savings and loan, building and loan association, or brokerage firm wherever located, and may deposit to the credit of such account or accounts all or any part of the funds belonging to the trust. An account from which frequent disbursements are made need not be an interest bearing account.

The trustee may authorize withdrawal from an account by check, draft or other instrument. The trustee may designate any other person, agency, or trustee as an authorized representative to withdraw funds from the account and/or to manage the account. Any bank, savings association, or other depository is authorized to pay such check or other instrument of withdrawal and also to receive the same for deposit to the credit of any holder thereof when signed and properly endorsed without inquiry of any kind. Payments made by a depository shall not be subject to objection by any person concerned or interested in any way in the trust.

21. LOCATION OF ASSETS: The trustee may keep the whole or any part of the assets of the trust in the jurisdiction where the trust is located or in any other jurisdiction.

22. PARTICIPATION IN PARTNERSHIPS: The trustee may participate with any other person, firm, corporation or company or trust in partnership either as a general or limited partner, or in any joint venture therewith, in pursuance of any of the purposes of this trust instrument, and shall have and exercise all the powers of management and participation in the management necessary and incidental to a membership in such partnership, limited partnership, or joint venture, including the making of charitable contributions. The trustee may at any time participate in the incorporation of any such enterprise.

ARTICLE H.
NO-CONTEST REQUIREMENTS

Settlor vests the trustee of this trust with the authority to construe this trust instrument and to resolve all matters pertaining to disputed issues or controverted claims. Settlor does not want to burden this trust with the cost of a litigated proceeding to resolve questions of law or fact.

As an exception to these rules, the trustee may originate a proceeding (including mediation and binding arbitration) to construe this trust instrument or to resolve any disputed claim or contest. The trustee may give written consent to any trust beneficiary or to any third party to originate a proceeding (including mediation and binding arbitration) to construe this trust instrument or to resolve any disputed claim or contest.

Except as above provided, any person, agency or organization who has, or who may have, a present, future or contingent interest in this trust or in the trust property will by his, her, or its contest (*i.e.*, a contest, dispute or other legal proceeding commenced without the consent of the trustee) forfeit any interest which he, she, or it has or may have in this trust. This trust will continue thereafter as if the person, agency, or organization were deceased or dissolved. The term "*contest*" identifies any action or activity originated (or caused to be originated) in a court of any jurisdiction without the permission of the trustee, including:

- a petition to construe this trust instrument (including this no-contest restriction);
- a claim to establish or enlarge a claimant's beneficial interest in the trust or any property of the trust, including rights to distributions of trust income and trust principal;
- a petition to construe, dispute, or contest the last will and testament of any person who prescribes a testamentary contribution to this trust or another trust which prescribes a disposition of property to this trust;
- a claim which seeks to impress a constructive or resulting trust upon this trust or its property, or to establish ownership under a theory of reimbursement.

These directions will apply even though the contesting person, agency or organization shall be found by a court of law to have originated the judicial proceeding in good faith and with probable cause and even though the proceedings may seek nothing more than to construe the application of this no-contest provision.

This no-contest requirement is to be limited, even to the exclusion thereof, as to a dispute or contest made by a spouse to the extent that the application thereof will cause the loss of the U.S. estate tax or gift tax marital deduction.

ARTICLE I.
JURISDICTION

The jurisdiction of this trust will be the State of Oregon. Any issue of law or fact pertaining to the creation, continuation, administration, and termination of the trust, or any other matter incident to this trust, is to be determined with reference to the specific directions in the trust declaration and then under the laws of the state of Oregon. If an article or subsection of this trust declaration is in conflict with a prohibition of state law or federal law, the article or subsection, or the trust declaration as a whole, is to be construed in a manner which will result in compliance with state and federal law and in a manner which will result in the least amount of taxes and estate settlement costs.

CONCLUSION AND ATTESTATION

This declaration of trust is binding, and will bind, each and every person, organization or agency who is a party to this instrument or who may become a party to this instrument, whether settlor, trustee, or in any other capacity whatsoever, and to include the successors, assigns, personal representatives, and heirs of each such party. However, any party serving in a fiduciary capacity will act and will be bound in his, her or its fiduciary capacity alone. This instrument is to be effective upon the date recorded immediately below.

Dated and Effective this 31 day of December, 1992.

Carl H. Cadonau, Sr., Settlor	x Carl H Cadonau, Sr

State: OREGON

County: MULTNOMAH

On this 31st day of DECEMBER in the year 1992 before me, a Notary Public of said State, personally appeared Carl H. Cadonau, Sr., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same and for the purpose and consideration therein expressed.

WITNESS MY HAND AND OFFICIAL SEAL.

Ann M. Shaw
Notary Public

OFFICIAL SEAL
ANN M. SHAW
NOTARY PUBLIC - OREGON
COMMISSION NO.015124
MY COMMISSION EXPIRES MAY 03, 1996

ACCEPTANCE BY TRUSTEE

I acknowledge that I have been appointed as a trustee of the *Cadonau Family Management Trust*, and I hereby evidence my acceptance of the office of trustee and will hold and administer the trust according to the provisions thereof and as required by law.

DATED the 31 day of December, 1992.

Carl H. Cadonau, Sr., Trustee	x C H Cadonau, Sr Trustee

EXHIBIT "A"

Settlor	Original Contribution of Capital (Value)	Beneficial Owner	Initial Percentage of Ownership	Remainder Beneficiary
Carl H. Cadonau, Sr.	$32,911.44	Carl H. Cadonau, Sr.	100%	CARL AND VIRGINIA CADONAU LIVING TRUST (February 23, 1991)

TRANSFER AND ASSIGNMENT

TRANSFERROR: Carl H. Cadonau, Sr.
[called "Transferror" in the singular, whether one or more]

TRANSFEREE: *Cadonau Family Management Trust*, a trust heretofore created by Carl H. Cadonau, Sr. under the laws of the state of Oregon.

TRANSFER: Transferror transfers and agrees to transfer and assign sufficient property to Transferee in order to acquire and maintain 2 partnership units in CADONAU-CHARTER LIMITED PARTNERSHIP (out of a total of 100 units which the partnership is authorized to issue).

AS A TRANSFER FROM CARL AND VIRGINIA CADONAU LIVING TRUST (FEBRUARY 23, 1991):

To the extent the property herein transferred is held by CARL AND VIRGINIA CADONAU LIVING TRUST (February 23, 1991), a revocable living trust formed under the laws of the state of Oregon, the transfer will be for all purposes treated as a distribution of the property to me from the trust and then a contribution by me to Transferee.

BINDING AS A CONTRACT:

This transfer and assignment, and all matters incident thereto, is binding as a contract. This contract is binding upon Transferror, Transferror's heirs, personal representatives, successors and assigns.

DATED:	December 31, 1992
EFFECTIVE DATE OF CONVEYANCE:	December 31, 1992
Carl H. Cadonau, Sr.	x C H Cadonau, Sr

State: OREGON

County: MULTNOMAH

On this 31st day of DECEMBER in the year 1992 before me, a Notary Public of said State, personally appeared Carl H. Cadonau, Sr. personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that his executed the same and for the purpose and consideration therein expressed.

WITNESS MY HAND AND OFFICIAL SEAL.

Ann M. Shaw
Notary Public

OFFICIAL SEAL
ANN M. SHAW
NOTARY PUBLIC - OREGON
COMMISSION NO.015124
MY COMMISSION EXPIRES MAY 03, 1996

DESIGNATION OF SUCCESSOR TRUSTEE
TO
THE CADONAU FAMILY MANAGEMENT TRUST

On December 31, 1992, CARL H. CADONAU, SR., as Settlor, and CARL H. CADONAU, SR., as Trustee, entered into the CADONAU FAMILY MANAGEMENT TRUST.

Under the terms of the CADONAU FAMILY MANAGEMENT TRUST, CARL H. CADONAU, SR. as sole Trustee, was the Trustee by original appointment and at the time of this designation is the sole Trustee of the CADONAU FAMILY MANAGEMENT TRUST, dated December 31, 1992.

The CADONAU FAMILY MANAGEMENT TRUST, dated December 31, 1992 provides that any person that serves as Trustee by original appointment, which is CARL H. CADONAU, SR., has the authority to appoint that person's successor as Trustee, which appointment will supersede the order or succession as provided in the trust agreement and also has the authority to appoint a different order of succession, which appointment will supersede the order of succession in the trust agreement.

Therefore, by this designation, CARL H. CADONAU, as sole Trustee by original appointment of the CADONAU FAMILY MANAGEMENT TRUST, dated December 31, 1992 hereby appoints CARL H. CADONAU, SR.'s successor as Trustee and appoints a different order of succession as follows:

"If, for any reason, CARL H. CADONAU, SR. ceases to act as Trustee, then the following named successor Trustees shall serve in the numerical order in which their names appear:

1. VIRGINIA CADONAU, to serve as sole Trustee
2. CARL H. CADONAU, JR., RANDALL E. CADONAU, ANITA J. CADONAU and BARBARA CADONAU SAMSEL, their service to be joint"

IN WITNESS WHEREOF, this Designation of Successor Trustee has been executed on this 7th day of JUNE, 1996.

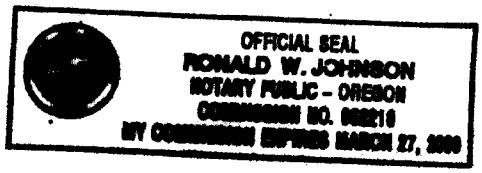
Carl H. Cadonau, Sr. Trustee
CARL H. CADONAU, SR., Trustee
Currently Serving Trustee and
Trustee by Original Appointment

State of Oregon)
County of Washington) SS

On JUNE 7, 1996, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CARL H. CADONAU, SR., Trustee, known to me to be the person whose name is subscribed to the within Designation of Successor Trustee to the CADONAU FAMILY MANAGEMENT TRUST dated December 31, 1992, (or proved to me on the basis of satisfactory evidence), and acknowledged that CARL H. CADONAU, SR. executed the same.

Witness my hand and official seal.

Ronald W Johnson
Notary Public for Oregon
My Commission Expires: 3-27-2000



RESIGNATION AS SUCCESSOR CO-TRUSTEE

I am nominated to act as successor co-trustee pursuant to the Designation of Successor Trustee dated June 7, 1996 signed by CARL H. CADONAU, SR., as trustee of the CADONAU FAMILY MANAGEMENT TRUST. I hereby resign as successor co-trustee.

August 31, 2005

Virginia Mae Cadonau
VIRGINIA MAE CADONAU

STATE OF OREGON)
) ss.
County of Multnomah)

Subscribed and sworn to before me on August 31, 2005, by VIRGINIA MAE CADONAU.

John L Pedersen
Notary Public for Oregon

OFFICIAL SEAL
JOHN L PEDERSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. 352612
MY COMMISSION EXPIRES DECEMBER 25, 2005

CADONAU FAMILY MANAGEMENT TRUST
UNDER AGREEMENT DATED DECEMBER 31, 1992
AS AMENDED

DESIGNATION OF MANAGING TRUSTEE

Pursuant to the resignation of VIRGINIA CADONAU as successor trustee of the Cadonau Family Management Trust under agreement dated December 31, 1992, as amended ("the Trust"), the currently serving trustees of the trust are CARL H. CADONAU, JR., RANDALL E. CADONAU, ANITA J. CADONAU-HUSEBY and BARBARA C. DEEMING. Article D, paragraph 3(1)(a) of the Trust provides that the co-trustees of the trust may designate a managing trustee of the Trust. The co-trustees hereby nominate CARL H. CADONAU, JR. as the managing trustee of the Trust, subject to the restrictions imposed on that position in the Trust.

This designation shall be effective upon the acceptance of CARL H. CADONAU, JR.

9-2, 2005

Carl Cadonau Jr.
CARL H. CADONAU, JR., Co-Trustee

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 2 day of September, 2005, by CARL H. CADONAU, JR..

John L Pedersen
Notary Public for Oregon

F:\C\CADO4286 EST\Designation of Managing Trustee.wpd

OFFICIAL SEAL
JOHN L PEDERSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. C 12
MY COMMISSION EXPIRES DEC[illegible] 5, 2005

CADONAU FAMILY MANAGEMENT TRUST
UNDER AGREEMENT DATED DECEMBER 31, 1992
AS AMENDED

DESIGNATION OF MANAGING TRUSTEE

Pursuant to the resignation of VIRGINIA CADONAU as successor trustee of the Cadonau Family Management Trust under agreement dated December 31, 1992, as amended ("the Trust"), the currently serving trustees of the trust are CARL H. CADONAU, JR., RANDALL E. CADONAU, ANITA J. CADONAU-HUSEBY and BARBARA C. DEEMING. Article D, paragraph 3(1)(a) of the Trust provides that the co-trustees of the trust may designate a managing trustee of the Trust. The co-trustees hereby nominate CARL H. CADONAU, JR. as the managing trustee of the Trust, subject to the restrictions imposed on that position in the Trust.

This designation shall be effective upon the acceptance of CARL H. CADONAU, JR.

AUGUST 31, 2005

Anita J Cadonau Husey

ANITA J. CADONAU-HUSEBY, Co-Trustee

STATE OF ~~CALIFORNIA~~ OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 31 day of August, 2005, by ANITA J. CADONAU-HUSEBY.

John L Pedersen

Notary Public for ~~California~~ OREGON

F:\C\CADO4286 EST\Designation of Managing Trustee.wpd

OFFICIAL SEAL
JOHN L PEDERSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. 379612
MY COMMISSION EXPIRES DEC 15, 2005

CADONAU FAMILY MANAGEMENT TRUST
UNDER AGREEMENT DATED DECEMBER 31, 1992
AS AMENDED

DESIGNATION OF MANAGING TRUSTEE

Pursuant to the resignation of VIRGINIA CADONAU as successor trustee of the Cadonau Family Management Trust under agreement dated December 31, 1992, as amended ("the Trust"), the currently serving trustees of the trust are CARL H. CADONAU, JR., RANDALL E. CADONAU, ANITA J. CADONAU-HUSEBY and BARBARA C. DEEMING. Article D, paragraph 3(1)(a) of the Trust provides that the co-trustees of the trust may designate a managing trustee of the Trust. The co-trustees hereby nominate CARL H. CADONAU, JR. as the managing trustee of the Trust, subject to the restrictions imposed on that position in the Trust.

This designation shall be effective upon the acceptance of CARL H. CADONAU, JR.

August 31, 2005

Barbara C. Deeming
BARBARA C. DEEMING, Co-Trustee

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 31 day of August, 2005, by BARBARA C. DEEMING.

John L Pedersen
Notary Public for Oregon

F:\C\CADO4286 EST\Designation of Managing Trustee.wpd

OFFICIAL SEAL
JOHN L PEDERSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. 3[illegible]12
MY COMMISSION EXPIRES DECEMBER 25, 2005

CADONAU FAMILY MANAGEMENT TRUST
UNDER AGREEMENT DATED DECEMBER 31, 1992
AS AMENDED

DESIGNATION OF MANAGING TRUSTEE

Pursuant to the resignation of VIRGINIA CADONAU as successor trustee of the Cadonau Family Management Trust under agreement dated December 31, 1992, as amended ("the Trust"), the currently serving trustees of the trust are CARL H. CADONAU, JR., RANDALL E. CADONAU, ANITA J. CADONAU-HUSEBY and BARBARA C. DEEMING. Article D, paragraph 3(1)(a) of the Trust provides that the co-trustees of the trust may designate a managing trustee of the Trust. The co-trustees hereby nominate CARL H. CADONAU, JR. as the managing trustee of the Trust, subject to the restrictions imposed on that position in the Trust.

This designation shall be effective upon the acceptance of CARL H. CADONAU, JR.

August 31, 2005

Randall E Cadonau

RANDALL E. CADONAU, Co-Trustee

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 31 day of August, 2005, by RANDALL E. CADONAU.

John L Pedersen

Notary Public for Oregon

F:\C\CADO4286 EST\Designation of Managing Trustee.wpd

OFFICIAL SEAL
JOHN L PEDERSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. 352612
MY COMMISSION EXPIRES DECEMBER 25, 2005

TRUSTEE ACCEPTANCE

I, CARL H. CADONAU, JR. hereby accept the appointment as managing trustee of Cadonau Family Management Trust under agreement dated December 31, 1992, as amended, subject to the restrictions of that position as outlined in the Trust.

9-2, 2005

Carl Cadonau Jr.
CARL H. CADONAU, JR.

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 2 day of September, 2005, by CARL H. CADONAU, JR..

John L Pedersen
Notary Public for Oregon
My commission expires:

F:\C\CADO4286 EST\Designation of Managing Trustee.wpd

CERTIFICATION OF TRUST

We, **CARL H. CADONAU, JR., BARBARA C. DEEMING,** and **ANITA J. CADONAU-HUSEBY**, as Co-Trustees of the Cadonau Family Management Trust U/D/T dated December 31, 1992 (the "Trust"), hereby certify as follows:

1. The Trust was executed on December 31, 1992, was established under Oregon law, and is presently in existence.

2. The Trustors of the Trust were CARL H. CADONAU, SR, now deceased, and the currently acting Co-Trustees of the Trust are CARL H. CADONAU, JR., BARBARA C. DEEMING, and ANITA J. CADONAU-HUSEBY. The Managing Trustee of the Trust is CARL H. CADONAU, JR.

3. Under the terms of the Trust, the Co-Trustees have been given the powers granted a Trustee under the Oregon Uniform Trust Code set forth in ORS Chapter 130 and additional powers.

4. The mailing address for the currently acting Co-Trustees is: 4905 SW Griffith Drive, Suite 205, Beaverton, Oregon 97005.

5. The Trust may be amended, modified, or revoked upon the consent of eighty-five percent (85%) in interest of the beneficiaries of the Trust.

6. The Co-Trustees designated in 2 above may act by a majority vote of the Co-Trustees. The Managing Trustee designated in 2 above may act alone and has authority to exercise Trust powers alone, except with regard to a conveyance of property of the Trust in excess of $50,000. The Managing Trustee designated in 2 above also shall have the right to make decisions as the authorized representative of the Trust with regards to the service of the Trust as the general partner of a limited partnership.

7. The Trust taxpayer identification number is 47-68485775.

8. Trust property is to be titled as follows: Carl H. Cadonau, Jr., Barbara C. Deeming, and Anita J. Cadonau-Huseby, as Co-Trustees of the Cadonau Family Management Trust U/D/T dated December 31, 1992.

9. The Trust has not been revoked, modified or amended in any manner that would cause the representations contained in this Certification to be incorrect.

10. This Certification may be signed in counterparts, each of which shall be treated as an original and together shall constitute one instrument.

We hereby certify the above to be true as of this date.

DATED this 26th day of October, 2015

[*signature and notary page follows*]

"Co-Trustees"

Carl H Cadonau Jr

CARL H. CADONAU, JR.

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on 11/5/15 2015, by CARL H. CADONAU, JR., as acting Co-Trustee and Managing Trustee of the Cadonau Family Management Trust U/D/T dated December 31, 1992.

John Lars Pedersen

NOTARY PUBLIC FOR OREGON

Barbara C. Deeming

BARBARA C. DEEMING

OFFICIAL STAMP
JOHN LARS PEDERSEN
NOTARY PUBLIC - OREGON
COMMISSION NO. 923845
MY COMMISSION EXPIRES JANUARY 09, 2018

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on 11/5/15 2015, by BARBARA C. DEEMING, as acting Co-Trustee of the Cadonau Family Management Trust U/D/T dated December 31, 1992.

John Lars Pedersen

NOTARY PUBLIC FOR OREGON

Anita J Cadonau Huseby

ANITA J. CADONAU-HUSEBY

OFFICIAL STAMP
JOHN LARS PEDERSEN
NOTARY PUBLIC - OREGON
COMMISSION NO. 923845
MY COMMISSION EXPIRES JANUARY 09, 2018

STATE OF _____)
) ss.
County of _____)

This instrument was acknowledged before me on _____ 2015, by ANITA J. CADONAU-HUSEBY, as acting Co-Trustee of the Cadonau Family Management Trust U/D/T dated December 31, 1992.

See Attached Notary

NOTARY PUBLIC FOR OREGON

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

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

State of California)
County of Contra Costa)

On October 31, 2015 (Date) before me, Taylor June DeSmidt, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Anita J. Cadonau-Huseby (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

TAYLOR JUNE DE SMIDT
Commission # 2122764
Notary Public - California
Contra Costa County
My Comm. Expires Aug 9, 2019

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

WITNESS my hand and official seal.

Signature T. DeSmidt
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

APPOINTMENT AND ACCEPTANCE OF MANAGING CO-TRUSTEES

Appointment of Managing Co-Trustees

Pursuant to Article D(3)(1)(a) of the **CADONAU FAMILY MANAGEMENT TRUST** declaration dated December 31, 1992 (the "Trust"), the undersigned, constituting the majority of the now-serving trustees of the Trust, hereby appoint Barbara C. Deeming and Anita Cadonau-Huseby to serve with Carl H. Cadonau, Jr. as the managing co-trustees of the Trust.

Dated effective Oct 20, 2016

Barbara C. Deeming
BARBARA C. DEEMING, TRUSTEE

Anita C Huseby
ANITA CADONAU-HUSEBY, TRUSTEE

Acceptance of Appointment as Managing Co-Trustee

Pursuant to Article D(3)(1)(a) of the Trust, I, **BARBARA C. DEEMING**, hereby accept my appointment as co-managing trustee of the Trust and agree to administer the Trust according to Oregon law and the terms and conditions set forth therein. My acceptance extends to the Trust and all sub-trusts created thereunder.

Dated effective Oct 20, 2016

Barbara C. Deeming
BARBARA C. DEEMING

Acceptance of Appointment as Managing Co-Trustee

Pursuant to Article D(3)(1)(a) of the Trust, I, **ANITA CADONAU-HUSEBY**, hereby accept my appointment as co-managing trustee of the Trust and agree to administer the Trust according to Oregon law and the terms and conditions set forth therein. My acceptance extends to the Trust and all sub-trusts created thereunder.

Dated effective OCT 20, 2016

Anita C Huseby
ANITA CADONAU-HUSEBY