



00139486201300082230070075

07/19/2013 01:32:10 PM

Fee: \$67.00

After recording, return to
Shilo Franchise International, LLC
11600 SW Shilo Lane
Portland, OR 97225

Until a change is requested, all tax
statements shall be sent to:
Same

Trust Deed

THIS DEED OF TRUST, made this 2nd day of July 2013, between, JDCK, LLC an Oregon Limited Liability Company, as Grantor, Greene & Markley, P.C. , as Trustee, and Shilo Franchise International, LLC, an Oregon limited liability company, as Beneficiary,

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the property in Klamath County, Oregon, legally described as:

See Attached Exhibit "A"

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of three-hundred ninety two thousand, three hundred eight dollars and twenty cents (**\$392,308.20**), with interest thereon according to the terms of a promissory note dated January 1, 2013, payable to Beneficiary or order and made by Grantor, the payment of principal and interest hereof, if not sooner paid, to be due and payable **January 1, 2018**.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by Grantor without first having obtained the written consent or approval of Beneficiary, then, at Beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

To protect the security of this Trust Deed, Grantor warrants, represents and agrees:

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefore.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if Beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as Beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by Beneficiary.

4. To provide and continuously maintain insurance on the buildings on the said premises against loss or damage by fire and such other hazards as Beneficiary may from time to time require, in an amount not less than **\$1,000,000.00** written in companies acceptable to Beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to Beneficiary as soon as insured; if Grantor shall fail for any reason to procure any such insurance and to deliver said policies to Beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, Beneficiary may procure the same at Grantor's expense. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected, or any part thereof, may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

WARNING

Unless you provide us with evidence of the insurance coverage as required by this Trust Deed, we may purchase insurance at your expense to protect our interest. Evidence of Insurance through Grantor, naming Beneficiary as Additional Insured, must be provided at closing and maintained, continuously and uninterrupted by Grantor throughout until the entire amount under the Promissory Note is paid in full to Beneficiary. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying Promissory Note will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefore to Beneficiary; should Grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by Grantor, either by direct payment or by providing Beneficiary with funds with which to make such payment, Beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this Trust Deed, shall be added to and become a part of the debt secured by this Trust Deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as Grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of Beneficiary, render all sums secured by this Trust Deed immediately due and payable and constitute a breach of this Trust Deed.

6. To pay all costs, fees and expenses of this trust including the cost of title search as well as the other costs and expenses of Trustee incurred in connection with or in enforcing this obligation and Trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of Beneficiary or Trustee; and in any suit, action or proceeding in which Beneficiary or Trustee may appear, including any suit for the foreclosure of this Trust Deed, to pay all costs and expenses, including evidence of title and Beneficiary's or Trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, Grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as Beneficiary's or Trustee's attorney's fees on such appeal.

8. To fully and timely pay all homeowners association fees, assessments and dues that are owed and provide Trustee or Beneficiary with proof of same upon ten (10) days prior written request. Beneficiary reserves the right to cure, on behalf of Grantor, any deficiency and add the same to the balance of the Promissory Note with immediate application of default interest on such amount cured on behalf of Grantor.

It is mutually agreed that:

9. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, Beneficiary shall have the right, if Beneficiary so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by Grantor in such proceedings, shall be paid to Beneficiary and

applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by Beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and Grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon Beneficiary's request.

10. At any time and from time to time upon written request of Beneficiary, payment of Beneficiary fees and presentation of this Trust Deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. Grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

11. Upon any default by Grantor hereunder, Beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in Trustee's own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

12. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. Upon default by Grantor in payment of any indebtedness secured hereby or in Grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, Beneficiary may declare all sums secured hereby immediately due and payable. In such an event Beneficiary at Beneficiary's election may proceed to foreclose this Trust Deed in equity as a mortgage or direct Trustee to foreclose this Trust Deed by advertisement and sale, or may direct Trustee to pursue any other right or remedy, either at law or in equity, which Beneficiary may have. In the latter event Beneficiary or Trustee shall execute and cause to be recorded written notice of default and election to sell the said described real property to satisfy the obligation secured hereby whereupon Trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this Trust Deed in the manner provided in ORS 86.735 to 86.795.

14. After Trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date Trustee conducts the sale, Grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to

pay, when due, sums secured by this Trust Deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or Trust Deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to Beneficiary all costs and expenses actually incurred in enforcing the obligation of this Trust Deed together with Trustee's and attorney's fees not exceeding the amounts provided by law.

15. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. Trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding Trustee, but including Grantor and Beneficiary, may purchase at the sale.

16. When Trustee sells pursuant to the powers provided herein, Trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of Trustee and a reasonable charge by Trustee's attorney, (2) to the obligation secured by this Trust Deed, (3) to all persons having recorded liens subsequent to the interest of Trustee in this Trust Deed as their interests may appear in the order of their priority and (4) the surplus, if any, to Grantor or to Grantor's successor in interest entitled to such surplus.

17. Beneficiary may from time to time appoint a successor or successors to Trustee named or to any successor Trustee appointed hereunder. Upon such appointment, and without conveyance to the successor Trustee, the latter shall be vested with all title, powers and duties conferred upon Trustee herein. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor Trustee.

18. Trustee accepts this trust when this Trust Deed, dully executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless such action or proceeding is brought by Trustee.

19. Grantor covenants and agrees to and with Beneficiary and those claiming under Beneficiary, that Grantor is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto and that Grantor will warrant and forever defend the same against all persons whomsoever.

20. Grantor warrants that the proceeds of the loan represented by the above described note and this Trust Deed are not primarily for Grantor's personal, family or household purposes.

21. This Trust Deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as Beneficiary herein. In construing this Trust Deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

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

JDCK, LLC

By:

Mark S. Hemstreet 7/17/2013
Mark S. Hemstreet, Member (Date)

STATE OF MONTANA
Missoula County

On July 17, 2013 before me, Brittani Edwards personally appeared **Mark S. Hemstreet** who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, has authority on behalf of Grantor to execute this instrument, and acknowledged to me that he executed the same, and that by his signature on the instrument is the person who executed the instrument on behalf of the Grantor. I certify under Penalty of Perjury under the laws of the State of Montana that the foregoing paragraph is true and correct.

WITNESS my hand and official seal,
Brittani Edwards
Notary Public

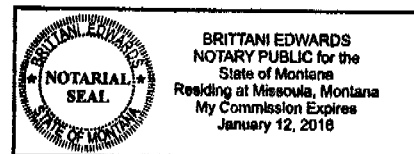


Exhibit A
(Klamath Falls, Oregon)

Block 1: Lots 1, 2, and 3
Block 2: All
Block 3: Lots 3, 4, 5, and 6
Block 4: All
Block 8: Lots 9 and 10
Block 9: All
Block 10: Lots 1, 2, 3, 4, and 5
Block 11: Lots 1, 2, 3, 4, and 5
Block 12: All
Block 18: Lots 8, 9, and 10
Block 19: All
Block 20: Lots 1, 2, 3, 4, and 5
Block 201: Lots 1, 2, 3, 4, and 5
Block 22: Lots 9 and 10

Together with the adjacent vacated portions of alleys, 1st Avenue, 2nd Avenue, Third Avenue, Fourth Avenue, A Street, B Street, C Street, D Street, and E Street, and F Street and Saving and Excepting those portions lying within the right-of-way for U.S. Highway 97.

All situated in OPPORTUNITY ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

REXDOC1379483