



2014-002595

Klamath County, Oregon

03/25/2014 11:56:05 AM

Fee: \$142.00

**After Recording Return To:**

Kim Baney  
475 NE Bellevue Dr. #210  
Bend, OR 97701

**Until A Change Is Requested**

**Send Tax Statements To:**

None

**Loan Number: 022014**

**TRUST DEED**

**SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT**

**Terms**

**Date:** March 20, 2014

**Grantor:** Tom's Multi Service, Inc., a California corporation

**Grantor's Mailing Address:** 77 8th Street, #205, Oakland, CA 94607

**Trustee:** AmeriTitle

**Trustee's Mailing Address:** P O Box 5017, Klamath Falls, Or 97601

**Lender:** Curtis A. Baney, Trustee of the Curtis O. Baney Marital Trust U/A/D 6/22/2009 as to an undivided ½ interest and Curtis A. Baney, Trustee of the Curtis A. Baney Revocable Living Trust U/A/D 6/4/2010 as to an undivided ½ interest

**Lender's Mailing Address:** 475 NE Bellevue Dr. #210 Bend, OR 97701

**Note:**

Date: March 20, 2014

Original Principal Amount: \$400,000

Borrower: Tom's Multi Service, Inc.

Lender: Curtis A. Baney, Trustee of the Curtis O. Baney Marital Trust U/A/D 6/22/2009 as to an undivided ½ interest and Curtis A. Baney, Trustee of the Curtis A. Baney Revocable Living Trust U/A/D 6/4/2010 as to an undivided ½ interest

Maturity Date: April 1, 2019

**Property (including all improvements located thereon, easements, water rights or other entitlements associated therewith):** Lots 6, 7 and 8 in Block 7 of Original Town of Linkville, new City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

**Prior Liens:** None

**Other Exceptions to Conveyance and Warranty:** None

For value received and to secure payment of the Note and the performance (i) of the covenants

142.00

of Grantor set forth below and (ii) the covenants of Grantor in all other security instruments, loan agreements, notes, assignments, agreements, and undertakings now existing or hereafter executed by Grantor with or for the benefit of Lender, Grantor conveys and warrants the Property to Trustee in trust with the power of sale for the benefit of Lender, free of encumbrances except as described in Prior Lien or Other Exceptions to Conveyance and Warranty. On payment of the Note and performance of all covenants and payment of all other amounts secured by this Trust Deed, this Trust Deed will have no further effect, and Lender will release it at Grantor's expense.

## **Clauses and Covenants**

### **A. Grantor's Obligations**

Grantor agrees to:

1. keep the Property in good repair and condition;
2. pay, before delinquency, all taxes, assessments, homeowners association dues or other charges which could if unpaid result in a lien attaching to the Property;
3. pay when due all claims for work done on or for services rendered or material furnished to the Property;
4. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this Trust Deed;
5. obtain and maintain in full force and effect during the term of this Trust Deed (a) all-risk property insurance in amounts not less than the full replacement cost of all of the improvements, without reduction for coinsurance; (b) comprehensive general liability insurance, including liabilities assumed under contract, with limits, coverages, and risks insured acceptable to Lender, and in no event less than \$1,000,000 combined single limit coverage; and (c) unless Lender otherwise agrees in writing, rent loss or business interruption insurance in an amount no less than the total annual rents provided for in all leases for the Property. In addition, Grantor will obtain and maintain all such other insurance coverages, which at the time are commonly carried for similar property, in such amounts as Lender may require;
6. obtain such insurance described above that will be written by a company or companies reasonably acceptable to Lender; will contain a long-form mortgagee clause in favor of Lender with loss proceeds under any policy payable to Lender, subject to the terms of this Trust Deed and the rights of any superior mortgagee or trust deed beneficiary; will require 30 days' prior written notice to Lender of cancellation or reduction in coverage; shall contain waivers of subrogation and endorsements that no act or negligence of Grantor or any occupant, and no occupancy or use of the Property for purposes more hazardous than permitted by the terms of the policy will affect the validity or enforceability of such insurance as against Lender; will be in full force and effect on the date of this Trust Deed; and will be accompanied by proof of premiums paid for the current policy year. Lender will be named as additional insured on all liability policies. Grantor will forward to Lender, on request, certificates evidencing the coverages required under this Trust Deed and copies of all policies;

7. cause this Trust Deed, any supplemental security agreement, mortgage, or deed of trust and each instrument of further assurance, to be recorded and rerecorded in such manner and in such places as may be required by any present or future law in order to perfect, and continue perfected, the lien and estate of this Trust Deed;
8. obey all laws, ordinances, and restrictive covenants applicable to the Property;
9. keep any buildings occupied as required by the insurance policy;
10. not remove, destroy, alter the functional use of or otherwise negatively impact the value of all or any part of the improvements located on the Property with a fair market value of \$15,000 or more, or sever, remove or harvest timber, rock or other natural resources on the Property without the prior written consent of Lender;
11. pay the Note according to its terms;
12. if the lien of this Trust Deed is not a first lien, pay or cause to be timely paid all prior lien notes and abide by or cause to be abided by all prior lien instruments; and
13. not sell or transfer all or any part of the Property, or any interest in the Property, without the Lender's prior written consent ("sell or transfer", for purposes of this section, means the conveyance of real property, or any right, title or interest in real property, whether legal, beneficial or equitable, whether voluntary or involuntary, whether by outright sale, deed, contract or leasehold interest with a term in excess of two years, or by sale, assignment or transfer of a beneficial interest in real property or by any other method of conveyance of a real property interest under Oregon Law); as a condition of consent, Lender may impose a service charge or assumption fee, require an adjustment to the interest rate, require reasonable financial information about the proposed transferee or impose such other conditions as Lender deems appropriate in its sole discretion.

#### **B. Lender's Rights**

1. Lender may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the Note are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.
3. Lender may apply any proceeds received under the insurance policy either to reduce the Note or to repair or replace damaged or destroyed improvements covered by the policy.
4. Notwithstanding Note terms to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor under the Note or this Trust Deed may, at Lender's discretion, be applied first to amounts payable under this Trust Deed and then to amounts due and payable to Lender under the Note, to be applied as provided for in the Note.
5. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the default rate stated in the Note. The amount to be reimbursed will be secured by this Trust Deed.
6. If there is a default on the Note, if Grantor fails to perform any of Grantor's obligations under the Trust Deed, or if Grantor defaults under any other obligation of Grantor to Lender,

Lender may:

- a. declare the unpaid principal balance and earned interest on the Note immediately due;
  - b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause a notice of default and election to sell to be given as provided by Oregon law as then in effect; and
  - c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Note.
  - d. exercise any and all other legal or equitable remedies to which it may be entitled, including seeking the appointment of a receiver or commencing judicial foreclosure.
7. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

**C. Trustee's Rights and Duties**

If directed by Lender to foreclose this lien, Trustee will:

1. either personally or by agent give notice of the foreclosure sale as required by Oregon law as then in effect;
2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;
3. from the proceeds of the sale, pay, in this order:
  - a. expenses of foreclosure, including a reasonable commission to Trustee;
  - b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
  - c. any amounts required by law to be paid before payment to Grantor; and
  - d. to Grantor, any balance; and
4. be indemnified by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this Trust Deed, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

**D. Security Agreement; Fixture Filing**

1. To further secure the obligations of Grantor to Lender under the Note, this Trust Deed and all of the other loan documents, Grantor grants to Lender a security interest in the following: (i) the Property to the extent the same is not encumbered by this Trust Deed as a first priority real estate lien; (ii) all personal property that is used or will be used in the construction of any improvements on the Property; (iii) all personal property that is now or will hereafter be placed on or in the Property or improvements located thereon; (iv) all personal property that is derived from or used in connection with the use, occupancy, or enjoyment of

the Property; (v) all property defined in the Uniform Commercial Code as adopted in the state of Oregon, as accounts, equipment, fixtures, and general intangibles, to the extent the same are used at, or arise in connection with the ownership, maintenance, or operation of, the Property; (vi) all causes of action, claims, security deposits, advance rental payments, utility deposits, refunds of fees or deposits paid to any governmental authority, refunds of taxes, and refunds of insurance premiums relating to the Property; and (vii) all present and future attachments, accessions, amendments, replacements, additions, products, and proceeds of every nature of the foregoing. This Trust Deed will constitute a security agreement and "fixture filing" under the Uniform Commercial Code-Secured Transactions statutes of the state of Oregon. The mailing address of Grantor and the address of Lender from which information may be obtained are set forth in the cover sheet of this Trust Deed.

#### **E. General Provisions**

1. If any of the Property is sold under this Trust Deed, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any trustee's deed conveying the Property will be presumed to be true.
3. Proceeding under this Trust Deed, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien will remain superior to liens later created even if the time of payment of all or part of the Note is extended or part of the Property is released.
5. If any portion of the Note cannot be lawfully secured by this Trust Deed, payments will be applied first to discharge that portion.
6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Note. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.
7. If all or any portion of the Property is subject to a superior mortgage or trust deed identified as a Prior Lien, the rights of Lender with respect to insurance and condemnation proceeds as provided for in this Trust Deed, and all other rights granted under this Trust Deed that have also been granted to such a superior mortgagee or trust deed Lender, shall be subject to the rights of the superior mortgagee or trust deed Lender. Grantor hereby authorizes all such superior mortgagees and beneficiaries, on satisfaction of the indebtedness secured by their mortgage or trust deed, to remit all remaining insurance or condemnation proceeds and all other sums held by them to Lender to be applied in accordance with this Trust Deed.
8. Interest on the debt secured by this Trust Deed will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under

law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

9. In no event may this Trust Deed secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

10. When the context requires, singular nouns and pronouns include the plural.

11. The term 'Note' includes all extensions and renewals of the Note and all amounts secured by this Trust Deed.

12. This Trust Deed binds, benefits, and may be enforced by the successors in interest of all parties.

13. If Grantor and Borrower are not the same person, the term 'Grantor' includes Borrower.

14. Grantor and each surety, endorser, and guarantor of the Note waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

15. Grantor acknowledges and confirms that Lender will impose certain administrative processing and/or commitment fees in connection with (a) the extension, renewal, modification, amendment and termination (excluding the scheduled maturity of the Note) of its loans, (b) the release or substitution of collateral therefor, (c) obtaining certain consents, waivers and approvals with respect to the Property, (d) reviewing leases, easements, or any other document submitted by or on behalf of Grantor to Lender for review or approval, or (e) determining, at Grantor's request, Grantor's satisfaction of any condition under any of the loan documents (the occurrence of any of the above shall be called an "Event"). Grantor hereby acknowledges and agrees to pay, immediately, upon demand, all such fees (as the same may be increased or decreased from time to time), including Lender's reasonable legal fees, and any additional fees of a similar type or nature which may be imposed by Lender from time to time, upon the occurrence of any Event. Grantor will pay all legal fees incurred by Lender in connection with (i) the preparation of the Note, this Trust Deed and any of the other loan documents and (ii) the items described in the preceding sentence, and (b) Grantor will pay to Lender on demand any and all expenses, including in house and outside legal expenses and attorneys' fees and costs (whether incurred at trial, on appeal, discretionary review or otherwise), incurred or paid by Lender in protecting its interest in the Property or any personal property and/or collecting any amount payable under the note or in any of the other loan documents or in enforcing its rights hereunder with respect to the Property or any personal property, whether or not any legal proceeding is commenced hereunder or thereunder and whether or not any default shall have occurred and is continuing, together with interest thereon at the default rate as provided for in the Note from the date of payment or incurring by Lender until paid by Grantor.

16. If any provision of this Trust Deed is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected. This Trust Deed (including

the documents and instruments referred to in this Trust Deed) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Trust Deed and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.

17. Grantor represents that this Trust Deed and the Note are given for business and commercial purposes. Grantor covenants that the Property is not now, and at no time in the future will be, occupied as a principal residence of the Grantor or the Grantor's minor or dependent children.

18. Time is of the essence in the performance of obligations under this Trust Deed.

19. All obligations of Grantor under this Trust Deed are joint and several and all references to Grantor mean each and every Grantor, meaning that each person signing below is responsible for all obligations under this Trust Deed.

#### **WARNING**

UNLESS GRANTOR PROVIDES LENDER WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY THIS TRUST DEED, LENDER MAY PURCHASE INSURANCE AT GRANTOR'S EXPENSE TO PROTECT LENDER'S INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT GRANTOR'S INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE LENDER PURCHASES MAY NOT PAY ANY CLAIM GRANTOR MAKES OR ANY CLAIM MADE AGAINST GRANTOR. GRANTOR MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT GRANTOR HAS OBTAINED PROPERTY COVERAGE ELSEWHERE.

GRANTOR IS RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY LENDER. THE COST OF THIS INSURANCE MAY BE ADDED TO GRANTOR'S LOAN BALANCE. IF THE COST IS ADDED TO GRANTOR'S LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE GRANTOR'S PRIOR COVERAGE LAPSED OR THE DATE GRANTOR FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE LENDER PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE GRANTOR CAN OBTAIN ON ITS OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

Grantor:  
Tom's Multi Service, Inc.  
a California corporation

By: [Signature]  
Tom Um, President

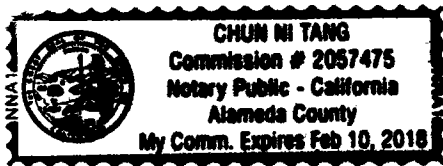
STATE OF CALIFORNIA )  
COUNTY OF Alameda ) ss.

On March 21<sup>st</sup>, 2014, before me, Chun Ni Tang, personally  
(Name of Notary Public)

appeared Tom Um, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity on whose behalf the person acted, executed the instrument.

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]  
Notary Public, State of California  
My commission expires: Feb 10, 2018

#### REQUEST FOR FULL RECONVEYANCE

To Trustee:

The undersigned is the legal owner and holder of the Note and all other indebtedness secured by the Trust Deed. The Note, together with all other indebtedness secured by the Trust Deed, has been fully paid and satisfied. You are hereby requested and directed, upon payment to you of any sums owing to you under the terms of the Trust Deed, to cancel the Note and all other evidences of indebtedness secured by the Trust Deed which may be delivered to you, along with the Trust Deed, and to reconvey, without warranty, to the parties designated by the terms of the Trust Deed, all estate now held by you thereunder.

Dated: \_\_\_\_\_

Lender or Current Lender  
\_\_\_\_\_

Mail Reconveyance To: \_\_\_\_\_



After Recording Return to:  
Kim Baney  
475 NE Bellevue Dr. #210  
Bend, OR 97701

Loan: 022014

### **ASSIGNMENT OF LEASES AND RENTS**

THIS ASSIGNMENT OF LEASES AND RENTS (the "Assignment"), is made as of the 20th day of March, 2014, by Tom's Multi Service, Inc., a California corporation, whose principal office is located at 77 8th Street, #205, Oakland, CA 94607 ("Borrower"), to Curtis A. Baney, Trustee of the Curtis O. Baney Marital Trust U/A/D 6/22/2009 as to an undivided ½ interest and Curtis A. Baney, Trustee of the Curtis A. Baney Revocable Living Trust U/A/D 6/4/2010 as to an undivided ½ interest, whose address is 475 NE Bellevue Dr. #210, Bend, OR 97701 ("Lender").

FOR VALUE RECEIVED, Borrower grants, transfers and assigns to Lender: (a) all of the right, title and interest of Borrower in and to any and all leases and any other agreements granting a possessory interest in the real property described in Exhibit A attached hereto (the "Premises"), together with any amendments or addenda to such leases and agreements and including any guarantees of such agreements, now or hereafter entered into, whether oral or written, (each such lease and related agreements and guarantees will be referred to collectively hereafter as a "Lease"); (b) any and all extensions and renewals thereof; (c) the immediate and continuing right to collect and receive all rents, expense reimbursements or other income, payments and profits arising out of any Lease or out of the Premises or any part thereof ("Rents"); (d) the right to all proceeds payable to Borrower pursuant to any purchase options, if any, on the part of any tenant under any Lease; and (e) all payments derived from any Lease including but not limited to claims for the recovery of damages done to the Premises or for the abatement of any nuisance existing thereon, claims for damages resulting from default under any Lease whether resulting from acts of insolvency or acts of bankruptcy or otherwise, and lump sum payments for the cancellation of any Lease or the waiver of any obligation or term thereof prior to the expiration date, and the return of any insurance premiums or ad valorem tax payments made in advance and subsequently refunded, all for the purpose of securing the following (collectively the "Obligations"):

(i) Payment of the indebtedness evidenced by that certain promissory note, including any extensions or renewals thereof, in the principal sum of Four Hundred Thousand and No/100 Dollars (\$400,000.00) dated of even date herewith, executed and delivered by Borrower payable to the order of Lender (the "Note") secured, *inter alia*, by the Trust Deed,

Security Agreement and Fixture Financing Statement, dated of even date herewith, granted by Borrower to Lender upon the Premises, and recorded in the County of Klamath, State of Oregon (the "Trust Deed") and any other loan documents securing the promissory note.

(ii) Payment of all other sums with interest thereon becoming due and payable to Lender as a result of this Assignment, or pursuant to any other loan documents. All payments required under the loan documents will be included as indebtedness secured hereby.

(iii) Performance and discharge of each and every obligation, covenant and agreement of Borrower under the loan documents, including this Assignment.

(iv) Payment or performance of any obligation under that certain Promissory Note dated March 20, 2014 in the original principal amount of \$1,360,000 made by Borrower in favor of Curt Baney, Inc.

(v) Payment or performance of any obligation under that certain Promissory Note dated March 20, 2014 in the original principal amount of \$1,040,000 made by Borrower in favor of Curtis A. Baney, Trustee of the Curtis O. Baney Marital Trust U/A/D 6/22/2009 as to an undivided ½ interest, Kim D. Baney as to an undivided 65% of an undivided ½ interest and Kelsey Chamberlin as to an undivided 35% of an undivided ½ interest.

**BORROWER FURTHER COVENANTS, AGREES AND ASSIGNS AS FOLLOWS:**

1. **Performance of Leases.** Borrower faithfully will: (a) abide by, perform, and discharge each and every obligation, covenant, and agreement which it becomes liable to observe or perform under any present or future Leases, (b) at its sole cost and expense, enforce or secure the performance in a prudent manner of each and every material obligation, covenant, condition, and agreement to be performed by the tenant under each and every Lease, (c) observe and comply with all provisions of law applicable to the operation and ownership of the Premises, and (d) at its sole cost and expense, appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with any Lease or the obligations, duties, or liabilities of Borrower or any tenant pursuant to said Leases.

2. **Protection of Security.** Borrower, at its sole cost and expense, agrees to appear in and defend any action or proceeding arising under, growing out of or in any manner connected or otherwise associated with any Lease or the obligations, duties or liabilities of Borrower thereunder, and to pay all costs and expenses of Lender, including attorneys' and paralegals' fees and costs, in any such actions or proceedings in which Lender in its sole discretion may appear.

3. **Present Assignment.** This Assignment will constitute a perfected, present assignment, provided that Borrower will have the right to collect all of the Rents and to retain, use and enjoy the same unless and until an event of default may occur under any of the

Obligations and any applicable opportunity to cure under any such document may have expired. Following the occurrence of an event of default and the expiration of any applicable opportunity to cure, Borrower hereby releases and surrenders to Lender all rights to amend, modify or to in any way alter any Lease, and to take such action without the prior consent of Borrower.

4. Remedies. Upon or at any time during the continuance of an event of default under any of the Obligations, or if any material representation or warranty herein proves to be untrue, and after any applicable opportunity to cure under any of the Obligations may have expired, then Lender, without regard to waste, adequacy of the security or solvency of Borrower, may declare all indebtedness owing from Borrower to Lender immediately due and payable, may revoke the privilege granted Borrower hereunder to collect the Rents, and may, at Lender's option, either:

(a) In person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require Borrower to give, notice to any tenant under any Lease authorizing and directing such tenant to pay all Rents directly to Lender; collect all of the Rents; enforce the payment thereof and exercise all of the rights of Borrower under any Lease and all of the rights of Lender hereunder; and may enter upon, take possession of, manage and operate the Premises, or any part thereof; may cancel, enforce or modify any Lease, and fix or modify Rents, and do any acts which Lender deems proper to protect the security hereof; or

(b) Apply for appointment of a receiver in accordance with applicable statutes and law, to which receivership Borrower hereby consents, who shall collect the Rents; manage the Premises so as to prevent waste; execute any Lease within or beyond the period of receivership; exercise the remedies and perform the terms of this Assignment and apply the Rents as hereinafter provided.

Any Rents collected pursuant to the terms of this Section hereof will be applied in the following order: (a) to payment of all fees of any receiver appointed hereunder; (b) to payment when due of prior or current real or personal property taxes; (c) to payment when due of insurance premiums of the type required by the Trust Deed; (d) to payment of the costs and expenses of operation and management of the Premises and collection of the Rents, including reasonable attorneys' fees; (e) to payment of all costs and expenses for normal maintenance of the Premises, including such tenant improvements, capital repairs, capital improvements and leasing commissions as Lender may reasonably deem appropriate; and (f) to the performance of the landlord's obligations under any Lease. Any Rents remaining after application of the above items shall be applied to the indebtedness on a monthly basis.

The entering upon and taking possession of such Premises, the appointment of a receiver, or the collection of such Rents and the application thereof as herein provided will not cure or waive any default or waive, modify or affect notice of default under the Trust Deed or invalidate any act done pursuant to said notice, nor in any way operate to prevent Lender from pursuing any remedy which now or hereafter it may have under the terms and conditions of the Trust Deed or the Note secured thereby.

5. No Liability for Lender. Lender will not be obligated to perform or discharge, nor does it undertake to perform or discharge, any obligation, duty or liability under any Lease nor will this Assignment operate to place any responsibility for the control, care, management or repair of the Premises or responsibility for the collection of Rents upon Lender or for the carrying out of any of the terms and conditions of any Lease; nor will it operate to make Lender responsible or liable for any waste committed on the Premises, or for any dangerous or defective condition of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger. Lender will be required to account only for such moneys as are actually received by it and will not be obliged to pay any interest on Rents received by it under this Assignment.

6. Borrower to Hold Lender Harmless. Borrower agrees to indemnify and to hold Lender harmless from any and all liability, loss or damage which Lender incurs under any Lease or under or by reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any Lease, except this indemnity will not apply to any liability to the extent caused by the gross negligence or willful misconduct of Lender or first arising from and after the date that Lender or another party takes possession of the Premises or acquires title to the Premises through foreclosure or a deed in lieu of foreclosure. Should Lender incur any such liability, or incur costs in the defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorneys' and paralegals' fees and costs, will be secured hereby and will be added to the indebtedness and Borrower will immediately reimburse Lender therefor upon demand, except Lender will bear its own costs of defense for any liabilities to the extent caused by Lender's gross negligence or willful misconduct. The continuing failure of Borrower so to do will constitute an event of default under this Assignment.

7. Security Deposits. Borrower agrees, upon demand following an event of default and the expiration of any applicable opportunity to cure under any of the Obligations, to transfer to Lender all security deposits, if any, held by Borrower under the terms and provisions of any Lease. Borrower agrees that such security deposits may be held by Lender without any allowance for interest thereon, except statutory interest accruing to the benefit of any tenant, and will become the absolute property of Lender upon an occurrence of an event of default and the expiration of any applicable opportunity to cure under any of the Obligations, subject to any rights of any such tenant. Such security deposits in the event of a default by any tenant will be applied in accordance with the provisions of any such Lease. Until Lender makes

such demand and the deposits are paid over to Lender, Lender assumes no responsibility to any tenant for any such security deposit. Borrower agrees to immediately reimburse Lender, upon request, for any security deposits received by Borrower and not remitted to Lender, which are paid to any tenant of Borrower by Lender.

8. Authorization to Tenants. Each tenant under any Lease is irrevocably authorized and directed to recognize the claims of Lender or any receiver appointed hereunder without investigating the reason for any action taken by Lender, or such receiver, or the validity or the amount of indebtedness owing to Lender, or the existence of any default under or by reason of any of the Obligations, or the application to be made by Lender or any receiver. Upon the occurrence of an event of default and the expiration of any applicable opportunity to cure under any of the Obligations, Borrower irrevocably directs and authorizes each such tenant to pay to Lender or such receiver all sums due under any Lease without the necessity of a judicial determination that a default has occurred under any of the Obligations, or that Lender is entitled to exercise its rights hereunder. Upon the occurrence of an event of default and the expiration of any applicable opportunity to cure under any of the Obligations Borrower irrevocably directs and authorizes each such tenant to pay to Lender all sums due under any Lease. To the extent such sums are paid to Lender, Borrower agrees that each such tenant will have no further liability to Borrower for the same. The sole signature of Lender or such receiver will be sufficient for the exercise of any rights under this Assignment. The sole receipt of Lender or of such receiver for any sums received will be a full discharge and release therefor to any such tenant or occupants of the Premises. Checks for all or any part of the Rents collected under this Assignment will, upon notice from Lender or such receiver, be drawn payable to the exclusive order of Lender or such receiver.

9. Satisfaction. Upon payment in full of all indebtedness as evidenced by a recorded release of the Trust Deed executed by Lender, or its subsequent assigns, this Assignment will, without the need for any further satisfaction or release, become null and void and be of no further effect.

10. Lender Creditor of Tenant. Upon an event of default and the expiration of any applicable opportunity to cure under any of the Obligations, Borrower agrees that Lender, and not Borrower, will be and be deemed to be a creditor of any tenant with respect to assignments for the benefit of creditors, bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such tenant, (without obligation on the part of Lender, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein, and reserving the right to Borrower to make such filing in such event) with an option to Lender to apply any money received by Lender as such creditor in reduction of the indebtedness in the order determined by Lender in its sole discretion.

11. Lender Attorney-in-Fact. Upon an event of default and the expiration of any applicable opportunity to cure under any of the Obligations, Borrower irrevocably appoints Lender, its successors and assigns, as its agent and attorney-in-fact, which appointment is

coupled with an interest, to: (a) exercise any rights or remedies hereunder and to execute and deliver during the term of this Assignment such instruments as Lender may deem necessary to make this Assignment and any further assignment effective and absolute; and (b) demand, receive, and enforce payment, to give receipts, releases and satisfactions, and to sue, either in the name of Borrower or in the name of Lender, for all Rents or other sums payable under the Lease.

12. Subsequent Leases; Rent Roll. Until all of the Obligations are satisfied in full, Borrower will, upon the request of Lender, deliver to Lender certified rent rolls of the Premises dated as of the end of the most recent calendar quarter disclosing current tenants, vacancies, Leases, Lease income and such other matters as Lender may reasonably request. Such rent roll, or accompanying documentation, will additionally identify space which is not leased and will certify that the Leases are free of defaults by Borrower.

13. Recourse. Lender will have full recourse for payment of indebtedness evidenced by the Note to the Leases and Rents assigned hereunder.

14. General Assignment of Leases and Rents. The rights contained in this Assignment are in addition to and will be cumulative with all of the rights given and created in for the benefit of Lender in the Note and Trust Deed.

15. No Mortgagee or Beneficiary in Possession. Nothing herein contained and no actions taken pursuant to this Assignment will be construed as constituting Lender a 'Mortgagee' or 'Beneficiary in Possession', unless Lender assumes actual possession of the Premises.

16. Continuing Rights. The rights and powers of Lender or any receiver hereunder will continue and remain in full force and effect until all indebtedness is paid in full or released in writing by Lender.

17. Successors and Assigns. This Assignment and each and every covenant, agreement and provision hereof will be binding upon Borrower, its successors and assigns including without limitation each and every record owner of the Premises, from time to time, or any other person having an interest therein and will inure to the benefit of Lender, its successors and assigns. As used herein the words "successors and assigns" will also be deemed to mean the heirs, executors, representatives and administrators of any natural person who is a party to this Assignment.

18. Governing Law. Borrower and Lender agree, notwithstanding any conflict of law principles, that this Assignment is intended to and will be governed by the internal laws of the State of Oregon.

19. Validity Clause. It is the intent of this Assignment to confer unto Lender the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provision or provisions hereof will not render any other provision or provisions of this Assignment unenforceable or invalid. Any provisions found to be unenforceable will be severable from this Assignment.

20. Notices. Any notice which any party hereto may desire or may be required to give to any other party will be in writing and the mailing thereof by certified mail, or its equivalent, to the respective party's address as set forth above or to such other place as such party may by notice in writing designate as its address, will constitute service of notice.

21. Costs of Enforcement. To the extent permitted by law, Borrower agrees to pay Lender its reasonable attorneys' and paralegals' fees and costs, including all fees and costs incurred in litigation, mediation, arbitration, bankruptcy and administrative proceedings, and appeals therefrom, and all court costs and other recoverable costs, incurred by Lender in the exercise of any right or remedy available to it under this Assignment, whether or not suit is commenced.

[signature page follows]

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as the authorized deed and voluntary act of said Borrower as of the date first above written.

Tom's Multi Service, Inc.  
a California corporation

By:   
Tom Um, President

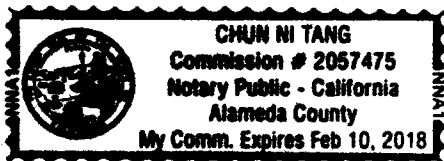
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Alameda )


On March 21<sup>st</sup>, 2014, before me, Chun Ni Tang, personally  
(Name of Notary Public)

appeared Tom Um, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity on whose behalf the person acted, executed the instrument.

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.



  
Notary Public, State of California  
My commission expires: Feb 10, 2018



**EXHIBIT A**

**LEGAL DESCRIPTION**

**Lots 6, 7 and 8 in Block 7 of Original Town of Linkville, new City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.**

**UCC FINANCING STATEMENT****FOLLOW INSTRUCTIONS****A. NAME & PHONE OF CONTACT AT FILER [optional]**

Kim Baney

**B. E-MAIL CONTACT AT FILER [optional]**

kimb@oxfordsuites.com

**C. SEND ACKNOWLEDGMENT TO: (Name and Address)**

Kim Baney

475 NE Bellevue Dr. #210

Bend OR 97701

Maverick

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME** — Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

TOM'S MULTI SERVICE, INC.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

77 8TH STREET, #205

CITY

OAKLAND

STATE

CA

POSTAL CODE

94607

COUNTRY

USA

2. **DEBTOR'S NAME** — Provide only one debtor name (2a or 2b) (use exact, full name; do not omit, modify or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

BANEY

CURTIS

TRUSTEE

3c. MAILING ADDRESS

475 NE BELLEVUE DR, #210

CITY

BEND

STATE

OR

POSTAL CODE

97701

COUNTRY

USA

4. **COLLATERAL:** This financing statement covers the following collateral:

Debtor grants Secured Party a security interest in the following: (i) the Property to the extent the same is not encumbered by the Trust Deed recorded as a real estate lien in Klamath County, OR; (ii) all personal property that is used or will be used in the construction of any improvements on the Property; (iii) all personal property that is now or will hereafter be placed on or in the Property or improvements located thereon; (iv) all personal property that is derived from or used in connection with the use, occupancy, or enjoyment of the Property; (v) all property defined in the Uniform Commercial Code as adopted in the state of Oregon, as accounts, equipment, fixtures, and general intangibles, to the extent the same are used at, or arise in connection with the ownership, maintenance, or operation of, the Property; (vi) all causes of action, claims, security deposits, advance rental payments, utility deposits, refunds of fees or deposits paid

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6. Check only if applicable and check only one box:

☐ Public Finance Transaction☐ A Debtor is a Transmitting Utility

7. **ALTERNATIVE DESIGNATION** (if applicable): ☐ Lessor/Lessee ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. **OPTIONAL FILER REFERENCE DATA**

022014 Curt Baney as trustee for Curtis O Baney Marital Trust (1/2) and Curtis A Baney Revocable Living Trust (1/2)

401 FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (OR REV. 06/13)

# UCC FINANCING STATEMENT ADDENDUM

## FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here <input type="checkbox"/>	
9a. ORGANIZATION'S NAME TOM'S MULTI SERVICE, INC.	
OR 9b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c:				
10a. ORGANIZATION'S NAME				
OR 10b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S NAME or <input type="checkbox"/> ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)				
11a. ORGANIZATION'S NAME				
OR 11b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

### 12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

to any governmental authority, refunds of taxes, and refunds of insurance premiums relating to the Property; and (vii) all present and future attachments, accessions, amendments, replacements, additions, products, and proceeds of every nature of the foregoing. "Property" as used herein means that certain real property described as: Lots 6, 7 and 8 in Block 7 of Original Town of Linkville, new City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

13. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)	14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing
15. Name and address of a RECORD OWNER of above-described real estate described in item 16 (if Debtor does not have a record interest):	16. Description of real estate:

### 17. MISCELLANEOUS:

022014