

**2015-000645**

**Klamath County, Oregon**

**01/23/2015 11:23:05 AM**

**Fee: \$87.00**

**REQUESTED BY:**

Colven, Tran & Meredith, P.C.

**WHEN RECORDED MAIL TO:**

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Suite 300  
CITY, STATE Dallas, Texas 75240  
ZIP CODE

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**TRUST DEED**

Grantor: Shreeji Hospitality LLC  
3612 South 6<sup>th</sup> Street  
Klamath Falls, Oregon 97603

Beneficiary: CapitalSpring SBLC LLC  
950 Third Avenue, Suite 2400  
New York, New York 10019

Trustee: First American Title Company of Oregon  
200 SW Market Street, Suite 250  
Portland, Oregon 97201

## **TRUST DEED**

**THIS TRUST DEED**, made this 21st day of January, 2015, between **SHREEJI HOSPITALITY LLC**, a California limited liability company (the "Grantor"), whose address is 3612 South 6<sup>th</sup> Street, Klamath Falls, Oregon 97603, **FIRST AMERICAN TITLE COMPANY OF OREGON** (the "Trustee") whose address is 200 SW Market Street, Suite 250, Portland, Oregon 97201, and **CAPITALSPRING SBLC LLC** (the "Beneficiary") whose address is 950 Third Avenue, Suite 2400, New York, New York 10019.

### **WITNESSETH:**

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

See Exhibit "A" attached hereto and incorporated herein.

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

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of One Million Eight Hundred Twenty Thousand and No/100th Dollars (\$1,820,000.00), with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by the final payment of principal and interest hereof, if not sooner paid, to be due and payable on January 5, 2030.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the Grantor either agree to attempt to, or actually sell, convey, or assign all (or any part) of the property or all (or any part) of Grantor's interest in it without first obtaining the written consent or approval of the Beneficiary, then at the Beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable. The execution by Grantor of an earnest money agreement does not constitute a sale, conveyance or assignment.

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

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

2. To complete or restore promptly and in good habitable condition and building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred thereof.
3. To comply with all laws, ordinances, regulations , covenants, conditions and restrictions affecting the property; if the Beneficiary so request, to join in executing such financing statements pursuant to the Uniformed Commercial Code as the 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 the Beneficiary.
4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and such other hazards as the Beneficiary may from time to time require, in an amount not less than \$500,000.00, written in companies acceptable to the Beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the Beneficiary as soon as insured; if the Grantor shall fail for any reason to procure any such insurance and to deliver the policies to the Beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the 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.
5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the property before any part of such taxes, assessments and other charges become due or delinquent and promptly deliver receipts therefor to Beneficiary; should the 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 it's option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secures hereby, together with the obligations described in paragraphs 6 and 7 of this Trust Deed, shall be added to and become part of the debt secured by this Trust Deed, without waiver of any right arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the 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 the 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 cost, fees and expenses of this trust including the cost of title search as well as the other cost and expenses of the 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 right powers of Beneficiary or Trustee; and in any suit, action or proceeding in which the Beneficiary or Trustee may appear, including any suit for the foreclosure of this Trust Deed, to pay all cost and expenses, including evidence of title and the Beneficiary's or Trustees attorney's fees; the amount of attorney's fees mentioned in 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 the Beneficiary's or Trustee's attorney's fees on such appeal.
8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation for such taking, which are in excess of the amount required to pay all reasonable cost 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 cost and expenses and attorney's fee, 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.
9. At any time and from time to time upon written request to Beneficiary, payment of its 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 the 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. The 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 not be less than \$5.
10. 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 the court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and taken due and unpaid, and apply the same, less cost and expenses

of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

11. The entering upon and taking possession of the 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.
12. 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 of such payment and/or performance, the Beneficiary may declare all sums secured hereby immediately due and payable. In such an event the Beneficiary may elect to proceed to foreclose this Trust Deed in equity as a mortgage or direct the Trustee to foreclose this Trust Deed by advertisement and sale, or may direct the Trustee to pursue any other right or remedy, either at law or equity, which the Beneficiary may have. In the event the Beneficiary elects to foreclose by advertisement and sale, the Beneficiary or the Trustee shall execute and cause to be ordered a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the 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.
13. After the Trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the Trustee conducts the sale, the Grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of 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 the Beneficiary all cost and expenses actually incurred in enforcing the obligation of the Trust Deed together with Trustee's and attorney's fees not exceeding the amounts provided by law.
14. 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 the sale may be postponed as provided by law. The Trustee may sell the 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 the Trustee, but including the Grantor and Beneficiary, may purchase at the sale.

15. When Trustee sells pursuant to the powers provided herein, Trustee shall apply the proceeds of the sale to payment of (1) the expenses of sale, including the compensation of the Trustee and a reasonable charge by Trustee's attorney, (2) to the obligation secured by the Trust Deed, (3) to all persons having recorded liens subsequent to the interest of the Trust Deed as their interest may appear in the order of their priority and (4) the surplus, if any, to the Grantor or to any successor in the interest entitled to such surplus.
16. Beneficiary may from time to time appoint a successor or successors to any Trustee named herein 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 any Trustee herein named or appointed hereunder. 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.
17. Trustee accepts this trust when this Trust Deed, duly 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 party unless such action or proceeding is brought by Trustee.

The Grantor covenants and agrees to and with the Beneficiary and the Beneficiary's successor in the interest that the Grantor is lawfully seized in fee simple of the real property and has valid, unencumbered title thereto and that the Grantor will warrant and forever defend the same against all persons whomsoever, The Grantor warrants that the proceeds of the loan represented by the above described note and this Trust Deed are for an organization, or (even if Grantor is a natural person) are for business or commercial purposes.

Grantor does hereby absolutely and unconditionally assign, transfer and convey to Beneficiary all Rents under the following provisions:

1. Grantor may, as Beneficiary's licensee, unless and until any default by Grantor under this Trust Deed or any security instruments securing the repayment of the indebtedness, collect the Rents or other sums payable by virtue of the Leases.
2. Upon the occurrence of a default by Grantor hereunder, Beneficiary may terminate Grantor's license to collect the Rents, and in its own name sue for or otherwise collect the Rents. Grantor agrees that the other parties under the Leases may, upon notice from Beneficiary of the occurrence of a default by Grantor hereunder, thereafter pay

direct to Beneficiary the Rents due and to become due under the Leases and attorn to all other obligations thereunder direct to Beneficiary without any obligation on their part to determine whether an Event of Default does in fact exist or has in fact occurred. All Rents collected by Beneficiary shall be applied as provided for herein above; provided, however, that if the costs, expenses and attorneys' fees shall exceed the amount of Rents collected, the excess shall be added to the Note, shall bear interest as provided for herein above and shall be immediately due and payable. The entering upon and taking possession of the Property, the collection of Rents and the application thereof as aforesaid shall not cure or waive any default or notice of default, if any, hereunder, nor invalidate any act done pursuant to such notice, except to the extent any such default is fully cured. Failure or discontinuance of Beneficiary at any time or from time to time, to collect the Rents shall not in any manner impair the subsequent enforcement by Beneficiary of the right, power and authority herein conferred. Nothing contained herein, nor the exercise of any right, power of authority herein granted to Beneficiary shall be or be construed to be an affirmation by it of any tenancy, lease or option nor an assumption of liability under nor the subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

3. Grantor shall not: (i) execute an assignment of any right, title or interest in the Rents; or (ii) except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any lease, now or hereafter existing, except that any lease may be canceled provided that promptly after the cancellation or surrender thereof a new lease is entered into with a new lessee having a credit standing, in the judgment of Beneficiary, at least equivalent to that of the lessee whose lease was canceled, on substantially the same terms as the terminated or canceled Lease; or (iii) modify any lease or any part thereof so as to shorten the unexpired term thereof or so as to decrease the amount of the Rents; or (iv) accept prepayment of any Rents in excess of one month, except prepayments in the nature of security for the performance of the lessee under any lease; or (v) in any other manner impair the value of the Property or the security of this Trust Deed. Grantor shall not execute any lease of all or any substantial portion of the Property, except for actual occupancy by the lessee thereunder, and shall at all times promptly and faithfully perform, or cause to be performed, each covenant, condition and agreement contained in each Lease, now or hereafter existing, on the part of lessor thereunder to be kept and performed. Grantor shall furnish to Beneficiary, within ten (10) days after a request by Beneficiary to do so, a written statement containing the names of all lessees of the Property, the terms of their respective leases, the spaces occupied and the rentals payable thereunder.

If Grantor sells or transfers all or any part of the Property without Beneficiary's prior written consent, the Beneficiary may declare the indebtedness secured by this Trust Deed immediately due and payable. In that event, the Beneficiary may without further notice or demand to Grantor invoke any remedies provided in this Trust Deed for default.

This Trust Deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legates, devisees, administrators, executors, personal representatives, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledge, of contract secures hereby, whether or not named as a Beneficiary herein. See attached addendum for additional provisions. In constructing this Trust Deed it is understood that the Grantor, Trustee and/or Beneficiary may each be more than one person; that if the context requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

1. When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
2. Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

**GRANTOR:**

**SHREEJI HOSPITALITY LLC,**  
a California limited liability company

By:   
Rajen Naria, Manager



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 Placer )

) ss

On this 21 day of January, 2015, before me, L. Akers (name), Notary Public (title), personally appeared Rajen Naria, ~~Manager of Shreeji Hospitality LLC, a California limited liability company,~~ 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(ies) upon behalf of which the person(s) 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

L. Akers

Printed Name: L. Akers  
(seal)



## **EXHIBIT "A"**

### **Legal Description**

Real property in the County of Klamath, State of Oregon, described as follows:

BEGINNING AT A 1/2 INCH IRON PIN ON THE SOUTH LINE OF THE RELOCATED RIGHT OF WAY OF THE KLAMATH FALLS-LAKEVIEW HIGHWAY (SOUTH SIXTH STREET) WHICH BEARS SOUTH 80°45. WEST A DISTANCE OF 290.3 FEET AND SOUTH 0°06.30" WEST A DISTANCE OF 11.82 FEET FROM THE NORTHEAST CORNER OF THE NW 1/4 SE 1/4 OF SECTION 3 TOWNSHIP 39 SOUTH, RANGE 9 E.W.M.; SAID IRON PIN ALSO BEING THE NORTHWEST CORNER OF PARCEL OF LAND CONVEYED TO THE UNITED STATES NATIONAL BANK OF PORTLAND BY DEED RECORDED IN VOLUME 293, PAGE 435, DEED RECORDS OF KLAMATH COUNTY, OREGON;

THENCE NORTH 89°58.30" WEST ALONG SAID RELOCATED RIGHT OF WAY LINE, A DISTANCE OF 100.0 FEET TO AN IRON PIN AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE SOUTH 0°06.30" WEST PARALLEL WITH THE WEST LINE OF SAID UNITED STATES NATIONAL BANK PARCEL A DISTANCE OF 150.0 FEET TO AN IRON PIN;

THENCE SOUTH 89°58.30" EAST PARALLEL TO THE SOUTH LINE OF SAID RE-LOCATED HIGHWAY RIGHT OF WAY A DISTANCE OF 100 FEET TO AN IRON PIN ON THE WEST LINE OF SAID UNITED STATES NATIONAL BANK PARCEL;

THENCE SOUTH 0°06.30" WEST ALONG SAID WEST LINE A DISTANCE OF 30.0 FEET TO A 5/8 INCH IRON PIN MARKING THE SOUTHWEST CORNER OF SAID PARCEL;

THENCE SOUTH 0°55.30" EAST A DISTANCE OF 329.18 FEET, MORE OR LESS, TO A 5/8 INCH IRON PIN ON THE NORTHEASTERLY RIGHT OF WAY LINE OF THE O.C.&E. RAILROAD;

THENCE NORTH 67°15. WEST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 472.81 FEET, MORE OR LESS, TO AN IRON PIN ON THE EASTERLY RIGHT OF WAY LINE OF THE U.S.R.S. DRAIN 1-C;

THENCE NORTH 29°11.00" WEST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 65.47 FEET TO AN IRON PIN;

THENCE NORTH 01°22.00" WEST ALONG THE WEST LINE OF PARCEL OF LAND CONVEYED TO JOHANN L. UHEREK ET UX., BY DEED RECORDED SEPTEMBER 20, 1950, DEED VOL. 242, PAGE 201, RECORDS OF KLAMATH COUNTY, OREGON, A DISTANCE OF 266.9 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE SAID KLAMATH FALLS-LAKEVIEW HIGHWAY (SOUTH SIXTH STREET);

THENCE SOUTH 89°58.30" EAST ALONG SAID RELOCATED RIGHT OF WAY LINE A DISTANCE OF 367.8 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.