**2019-006668****Klamath County, Oregon**

06/13/2019 03:27:02 PM

Fee: \$147.00

AFTER RECORDING, RETURN TO:

Heather D. Hestley, Esq.  
James Bates Brannan Groover LLP  
3399 Peachtree Road, N.E.  
Suite 1700  
Atlanta, Georgia 30326

### TRUST DEED

THIS TRUST DEED is made on 6/7, 2019, by TRAJAN CORP, an Oregon corporation ("Grantor"), whose address is 50711 Highway 62, Chiloquin, OR 97624, to AMERITITLE ("Trustee"), having its office at 300 Klamath Ave., Klamath Falls, OR 97601, for the benefit of COASTALSTATES BANK, a South Carolina banking corporation ("Beneficiary"), whose address is 5 Bow Circle, Hilton Head Island, SC 29928

WHEREAS, Beneficiary has made a loan to Grantor in the sum of **\$1,322,000.00**, which loan is evidenced by a Promissory Note of even date herewith made by Grantor to the order of Beneficiary (as the same may be modified, extended or replaced from time to time, herein referred to as the "Note"). The loan, if not sooner paid, is due and payable in full on the date that is TWENTY FIVE (25) YEARS following the date hereof; and

WHEREAS, as a condition to the making of the loan to Grantor, Beneficiary has required, and Grantor has agreed to provide, this Trust Deed.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, and for the purpose of securing the Obligations described in Section 1.01 below, Grantor hereby irrevocably grants, bargains, sells, conveys, assigns and transfers to Trustee in trust for the benefit and security of Beneficiary, with power of sale, all of Grantor's right, title and interest in and to the real property located in Klamath County, state of Oregon, and more particularly described in Exhibit A attached hereto and incorporated herein (the "Land"), together with (a) All of Grantor's right, title and interest in and into all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, fire extinguishers and any other safety equipment required by governmental regulation or law, washers, dryers, water heaters, mirrors, mantels, air conditioning apparatus, refrigerating plants, refrigerators, cooking apparatus and appurtenances, window screens, awning and storm sashes, which are or shall be attached to said buildings, structures or improvements and all other furnishings, furniture, fixtures, machinery, equipment, appliances, vehicles (excluding Grantor's personal automobiles, if any), building supplies and materials, books and records, chattels, inventory, accounts, farm products, consumer goods, general intangibles and personal property of every kind and nature whatsoever now or hereafter owned by Grantor and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Land, including all

extensions, additions, improvements, betterments, after-acquired property, renewals, replacements and substitutions, or proceeds from a permitted sale of any of the foregoing, and all the right, title and interest of Grantor in any such furnishings, furniture, fixtures, machinery, equipment, appliances, vehicles and personal property subject to or covered by any prior security agreement, conditional sales contract, chattel mortgage or similar lien or claim, together with the benefit of any deposits or payments now or hereafter made by Grantor or on behalf of Grantor, all tradenames, trademarks, servicemarks, logos and goodwill related thereto which in any way now or hereafter belong, relate or appertain to the Trust Property or any part thereof or are now or hereafter acquired by Grantor; and all inventory, accounts, chattel paper, documents, equipment, fixtures, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any of the property described hereinabove, all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Trust Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Trust Deed. The location of the above described collateral is also the location of the Land; (b) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Trust Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Grantor; (c) All income, rents, issues, profits and revenues of the Trust Property from time to time accruing (including without limitation all payments under leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits whether held by Grantor or in a trust account, and escrow funds), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Grantor of, in and to the same; reserving only the right to Grantor to collect the same so long as Grantor is not in default (collectively, the "Trust Property").

TO HAVE AND TO HOLD the Trust Property to Trustee and its successors and assigns for the benefit of Beneficiary and its successors and assigns, forever.

PROVIDED ALWAYS, that if all the Obligations shall be paid, performed, and satisfied in full, then the lien and estate hereby granted shall be reconveyed.

This Trust Deed, the Note, and all other agreements executed at any time in connection therewith, as they may be amended or supplemented from time to time, are sometimes collectively referred to as the "Loan Documents."

TO PROTECT THE SECURITY OF THIS TRUST DEED, GRANTOR COVENANTS AND AGREES AS FOLLOWS:

## **ARTICLE I**

### **Particular Covenants and Warranties of Grantor**

**1.01 Obligations Secured.** This Trust Deed secures the payment of all indebtedness, including but not limited to principal and interest, and the performance of all covenants and obligations of Grantor under the Note, of Grantor under this Trust Deed, and of Grantor under the other Loan

Documents, whether such payment and performance is now due or becomes due in the future (collectively, the "Obligations"). The Note secured hereby is for business purposes only and is not for personal, family or household purposes.

This Trust Deed also secures the payment and performance of any and all other indebtedness and obligations of Grantor to Beneficiary, present and future, of any nature whatsoever, whether direct or indirect, primary or secondary, joint or several, liquidated or unliquidated, whenever and however arising, and whether or not reflected in a written agreement or instrument.

**1.02 Payment and Performance.** Grantor shall pay and perform all of the Obligations when due.

**1.03 Property.** Grantor warrants that it holds good and merchantable title to the Trust Property, free and clear of all liens, encumbrances, reservations, restrictions, easements, and adverse claims except those specifically listed in Exhibit B attached hereto. Grantor covenants that it shall forever defend Beneficiary's and Trustee's rights hereunder and the priority of this Trust Deed against the adverse claims and demands of all persons.

**1.04 Further Assurances.** Grantor shall execute, acknowledge, and deliver, from time to time, such further instruments as Beneficiary or Trustee may require to accomplish the purposes of this Trust Deed.

**1.05 Compliance with Laws.** Grantor represents, warrants, and covenants that the Trust Property is currently in material compliance with, and will at all times be maintained in material compliance with, all applicable laws, and all covenants, conditions, easements and restrictions affecting the Trust Property.

**1.06 Environmental Compliance.**

(1) For purposes of this section, "Environmental Law" means any federal, state or local law or regulation now or hereafter at any time pertaining to Hazardous Substances or environmental conditions. For purposes of this section, "Hazardous Substance" includes, without limitation, any substance that is or becomes classified as hazardous, dangerous or toxic under any federal, state or local law or regulation.

(2) Grantor will not use, generate, store, release, discharge, or dispose of on, under, or about the Trust Property or the groundwater thereof any Hazardous Substance and will not permit any other person to do so, except for storage and use of such Hazardous Substances (and in such quantities) as may commonly be used for household purposes, provided such substances are stored and used in compliance with all Environmental Laws. Grantor will keep and maintain the Trust Property in compliance with all Environmental Laws.

(3) Beneficiary shall have the right to participate in any legal proceeding initiated with respect to the Trust Property in connection with any Environmental Law and have its attorney fees paid

by Grantor. If, at any time, Beneficiary has reason to believe that any violation of this Section 1.06 has occurred or is threatened, Beneficiary may require Grantor to obtain or may itself obtain, at Grantor's expense, an environmental assessment by a qualified environmental consultant. Grantor shall promptly provide to Beneficiary a complete copy of any environmental assessment obtained by Grantor.

(4) If any investigation, monitoring, containment, cleanup, or other remedial work of any kind is required on the Trust Property under any applicable Environmental Law or by any governmental agency or person in connection with a release of a Hazardous Substance, Grantor shall promptly complete all such work at Grantor's expense.

(5) All representations, warranties and covenants in this Section 1.06 shall survive the satisfaction of the Obligations, the reconveyance of the Trust Property, or the foreclosure of this Trust Deed.

**1.07 Maintenance and Improvements.** Grantor shall not permit the Trust Property or any part thereof to be removed, demolished, or materially altered without Beneficiary's prior written consent. Grantor shall maintain the Trust Property, and every portion thereof, in good repair and condition, except for reasonable wear and tear, and shall at Beneficiary's election restore, replace or rebuild the Trust Property or any part thereof now or hereafter damaged or destroyed by any casualty (whether or not insured against or insurable) or affected by any Condemnation (as defined in Section 2.01). Grantor shall not commit or suffer any waste or strip of the Trust Property.

**1.08 Liens.** Grantor shall pay when due all claims for labor and materials that, if unpaid, might become a lien on the Trust Property. Grantor shall not create or suffer any lien, security interest, or encumbrance on the Trust Property that may be prior to, or on a parity with, the lien of this Trust Deed, except as specifically provided in Exhibit B attached hereto.

**1.09 Impositions.** Grantor shall pay when due all taxes, assessments, fees, and other governmental and nongovernmental charges of every nature now or hereafter assessed against any part of the Trust Property or on the lien or estate of Beneficiary or Trustee therein (collectively, the "Impositions"); provided, however, that if by law any such Imposition may be paid in installments, Grantor may pay the same in installments, together with accrued interest on the unpaid balance thereof, as they become due. Grantor shall furnish to Beneficiary promptly on request satisfactory evidence of the payment of all Impositions. Beneficiary is hereby authorized to request and receive from the responsible governmental and nongovernmental personnel written statements with respect to the accrual and payment of all Impositions.

**1.10 Limitations of Use.** Grantor shall not initiate or consent to any rezoning of the Trust Property or any change in any covenant or other public or private restrictions limiting or defining the uses that may be made of the Trust Property without the prior written consent of Beneficiary.

**1.11 Insurance**

(1) *Property and Other Insurance.* Grantor shall obtain and maintain during the term of this Trust Deed all-risk property insurance (including flood insurance unless waived by Beneficiary) in an amount not less than the full remaining principal balance of the Note or, if greater, in the amount of the full replacement cost of the Trust Property, without reduction for coinsurance.

(2) *Insurance Companies and Policies.* All insurance shall be written by a company or companies reasonably acceptable to Beneficiary; shall contain a long-form mortgagee endorsement in favor of Beneficiary with proceeds under any policy payable to Beneficiary, subject to the terms of this Trust Deed; shall require 10 days' prior written notice to Beneficiary of cancellation or reduction in coverage; and shall contain a waiver of subrogation. Grantor shall furnish to Beneficiary on request a certificate evidencing the coverage required under this trust Deed and a copy of each policy.

#### **1.12 Casualty/Loss Restoration**

(1) After the occurrence of any casualty to the Trust Property, whether or not covered by insurance, Grantor shall give prompt written notice thereof to Beneficiary. Beneficiary may make proof of loss if it is not made promptly and to Beneficiary's satisfaction by Grantor.

(2) All insurance proceeds with respect to the Trust Property shall be payable to Beneficiary. At Beneficiary's discretion, insurance proceeds may be applied to the Obligations or may be released to Grantor, on such terms and conditions as Beneficiary elects, for restoration of the Trust Property.

#### **1.13 Actions to Protect Trust Property; Reserves**

(1) If Grantor shall fail to pay, perform, or observe any of its covenants hereunder, Beneficiary may, but shall not be required to, take such actions as it deems appropriate to remedy such failure. All sums, including reasonable attorney fees, so expended, or expended to maintain the lien or estate of this trust Deed or its priority, or to protect or enforce any of Beneficiary's rights hereunder, shall be a lien on the Trust Property, shall be secured by this Trust Deed, and shall be paid by Grantor on demand, together with interest thereon at the rate provided in the Note. No payment or other action by Beneficiary under this section shall impair any other right or remedy available to Beneficiary to constitute a waiver of any Event of Default.

(2) If Grantor fails to promptly perform any of its obligations under Section 1.09 or 1.11 of this Trust Deed, Beneficiary may require Grantor thereafter to pay and maintain with Beneficiary reserves for payment of such obligations. In that event, Grantor shall pay to Beneficiary each month a sum estimated by Beneficiary to be sufficient to produce, at least 20 days before due, an amount equal to the Impositions, insurance premiums, or both. If the sums so paid are insufficient to satisfy any Imposition or insurance premium when due, Grantor shall pay any deficiency to Beneficiary on demand. The reserves may be commingled with Beneficiary's other funds. Beneficiary shall credit to Grantor interest on such reserves at the minimum rate required from time to time by applicable law. Beneficiary shall not hold the reserves in trust for Grantor, and Beneficiary shall not be the agent of Grantor for payment of the taxes and assessments required to be paid by Grantor.

**1.14 Estoppel Certificates.** Grantor, within five days of request therefor, shall furnish Trustee and Beneficiary a written statement, duly acknowledged, of the amount of the Obligations secured by this Trust Deed and whether any offsets or defenses exist against the Obligations secured hereby. If Grantor shall fail to furnish such a statement within the time allowed, Beneficiary shall be authorized, as Grantor's attorney-in-fact, to execute and deliver such statement.

## **ARTICLE II**

### **Condemnation**

Should the Trust Property or any part thereof be taken or damaged by reason of any public improvement, eminent domain, condemnation proceeding, or in any other manner (a "Condemnation"), or should Grantor receive any notice or other information regarding such action, Grantor shall give immediate notice thereof to Beneficiary. Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor ("Condemnation Proceeds") up to the full amount of the Obligations, and may appear in any Condemnation proceeding in its own or Grantor's name and make any settlement in connection therewith. Beneficiary may, at its option, apply the Condemnation Proceeds to the Obligations or release the proceeds to Grantor, on such terms and conditions as Beneficiary elects, for restoration of the Trust Property.

## **ARTICLE III**

### **Leases and Rents**

**3.01 Assignment of Leases and Rents.** Grantor assigns to Beneficiary all leases, rental contracts, and other agreements now or hereafter relating to the Trust Property or any portion thereof (the "Leases") and all rents and income derived therefrom (the "Rents"). Beneficiary shall have the right, but shall not be obligated, after the occurrence of an Event of Default, to notify any and all obligors under any of the Leases that the same have been assigned to Beneficiary; to discount, compromise, enforce, and collect the Leases and Rents; and to exercise any and all other rights and remedies of the lessor in connection with any of the Leases and Rents. Beneficiary shall have the right to use and apply any Rents received (1) for any costs and expenses incurred in connection with enforcing this assignment and collecting Rents; (2) for the maintenance of the Trust Property; and (3) for reduction of the Obligations in such order as Beneficiary shall determine. Beneficiary hereby gives Grantor revocable license to collect and receive the Rents. Such license may be revoked by Beneficiary, without notice to Grantor, on the occurrence of any Event of Default under this Trust Deed. Grantor agrees not to collect any Rents more than 30 days in advance. This assignment shall not operate to place responsibility for the care, maintenance, or repair of the Trust Property on Beneficiary.

**3.02 Attorney-in-Fact.** Grantor irrevocably constitutes and appoints Beneficiary as its true and lawful attorney-in-fact, with power of substitution, to exercise any and all of the rights, powers and authorities described in this Article III and to endorse any instruments given in payment of any Rents.

## **ARTICLE IV**

### **Security Agreement and Fixture Filing**

To secure the Obligations, Grantor hereby grants to Beneficiary a security interest in all fixtures located on the Trust Property. This Trust Deed shall constitute a security agreement and fixture filing

under the Uniform Commercial Code statutes of the state of Oregon. The mailing address of Grantor and the address of Beneficiary from which information may be obtained are set forth in the cover sheet of this Trust Deed.

## **ARTICLE V**

### **Events of Default; Remedies**

**5.01 Events of Default.** Each of the following shall constitute an Event of Default under this Trust Deed and under each of the other Loan Documents:

- (1) *Nonpayment.* Failure of Grantor to pay any of the Obligations by their due date.
- (2) *Breach of Other Covenants.* Failure of Grantor to perform or abide by any other covenant included in the Obligations, including without limitation, those covenants in the Note, in this Trust Deed, or in the Business Sale Agreement.
- (3) *Misinformation.* Falsity when made in any material respect of any representation, warranty, or information furnished by Grantor or its agents to Beneficiary in connection with any of the Obligations.
- (4) *Other Default.* The occurrence of any other event of default under the Note, the Loan Documents, or any of the other Obligations.
- (5) *Other Indebtedness, Secondary Financing.* Grantor's default beyond applicable grace periods in the payment of any other indebtedness secured by all or any portion of the Trust Property.
- (6) *Bankruptcy.* The occurrence of any of the following with respect to Grantor, any guarantor of the Obligations, or the then-owner of the Trust Property: (a) appointment of a receiver, liquidator, or trustee for any such party or any of its properties; (b) adjudication as a bankrupt or insolvent; (c) filing of any petition by or against any such party under any state or federal bankruptcy, reorganization, moratorium, or insolvency law; (d) inability to pay debts when due; or (e) any general assignment for the benefit of creditors.
- (7) *Transfer; Due-on-Sale.* Any sale, gift, conveyance, contract for conveyance, transfer or assignment of the Trust Property, or any part hereof or any interest therein, either voluntarily, involuntarily, or by the operation of law (a "Transfer"), without Beneficiary's prior written consent. Any lease for a term in excess of three years, and any lease containing an option to purchase the Trust Property or any portion thereof, shall also be deemed a Transfer. The provisions of this subsection (7) shall apply to each and every Transfer, regardless of whether or not Beneficiary has consented or waived its rights in connection with any previous Transfer. Beneficiary may attach such conditions to its consent under this subsection (7) as Beneficiary may determine in its sole discretion, including without limitation, an increase in the interest rate or the payment of transfer or assumption fees, and the payment of administrative and legal fees and costs incurred by Beneficiary.

**5.02 Remedies in Case of Default.** In the event a default shall occur, Beneficiary or Trustee, as the case may be, may exercise any one or more of the following rights and remedies, in addition to any other remedies that may be available by law, in equity, or otherwise:

- (1) *Acceleration.* Beneficiary may declare all or any portion of the Obligations immediately due and payable.

(2) *Rents.* Beneficiary may revoke Grantor's right to collect the Rents, and may collect the Rents. Beneficiary shall not be deemed to be in possession of the Trust Property solely by reason of exercise of the rights contained in this subsection (2).

(3) *Power of Sale.* Beneficiary may direct Trustee, and Trustee shall be empowered, to foreclose the Trust Property by advertisement and sale under applicable law.

(4) *Foreclosure.* Beneficiary may judicially foreclose this Trust Deed and obtain a judgment foreclosing Grantor's interest in all or any part of the Trust Property.

(5) *Fixtures and Personal Property.* With respect to any fixtures or other property subject to a security interest in favor of Beneficiary, Beneficiary may exercise any and all of the rights and remedies of a secured party under the Uniform Commercial Code.

**5.03 Sale.** In any sale under this Trust Deed or pursuant to any judgment, the Trust Property, to the extent permitted by law, may be sold as an entirety or in one or more parcels and in such order as Beneficiary may elect. The purchaser at any such sale shall take title to the Trust Property or the part thereof so sold, free and clear of the estate of Grantor, the purchaser being hereby discharged from all liability to see to the application of the purchase money. Any person, including Beneficiary, may purchase at any such sale. Beneficiary is hereby irrevocably appointed Grantor's attorney-in-fact, with power of substitution, to make all appropriate transfers and deliveries of the Trust Property or any portions thereof so sold. Nevertheless, Grantor shall ratify and confirm any such sale or sales by executing and delivering to Beneficiary or to such purchaser or purchasers all such instruments requested by Beneficiary for such purpose.

**5.04 Cumulative Remedies.** All remedies under this Trust Deed are cumulative. Any election to pursue one remedy shall not preclude the exercise of any other remedy. No delay or omission in exercising any right or remedy shall impair the full exercise of that or any other right or remedy or constitute a waiver of any event of Default.

**5.05 Application of Proceeds.** All proceeds from the exercise of the rights and remedies under this Article V shall be applied (1) to costs of exercising such rights and remedies; (2) to the Obligations, in such order as Beneficiary shall determine in its sole discretion; and (3) the surplus, if any, shall be paid to the clerk of the court in the case of a judicial foreclosure proceeding, otherwise to the person or persons legally entitled thereto.

**5.06 Waiver of Appraisal, Valuation, Etc.** Grantor agrees, to the full extent permitted by law, that in case of an Event of Default on the part of Grantor hereunder, neither Grantor nor anyone claiming through or under Grantor will set up, claim or seek to take advantage of any moratorium, reinstatement, forbearance, appraisal, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Trust Deed, or the absolute sale of the Trust Property, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and Grantor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets subject to the security interest of this Trust Deed marshalled upon any foreclosure or sale under the power herein granted. Grantor hereby waives and releases (a) all benefit that might accrue to Grantor by virtue of any present or future law exempting the Trust Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of term for payment (b) unless specifically



required herein, all notices of Grantor default or of Beneficiary's election to exercise, or Beneficiary's actual exercise, of any option or remedy under the Note or the Loan Documents, and (c) any right to have the Trust Property marshalled.

## **ARTICLE VI**

### **Miscellaneous**

**6.01 Time Is of the Essence.** Time is of the essence with respect to all covenants and obligations of Grantor under this Trust Deed.

**6.02 Reconveyance by Trustee.** At any time on the request of Beneficiary, payment of Trustee's fees, if any, and presentation of this Trust Deed, without affecting the liability of any person for payment of the Obligations, Trustee may reconvey, without warranty, all or any part of the Trust Property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any facts shall be conclusive proof of the truthfulness thereof.

**6.03 Notice.** Except as otherwise provided in this Trust Deed, all notices shall be in writing and may be delivered by hand, or mailed by first-class certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at its address set forth at the outset of this Trust Deed. Any party may change its address for such notices from time to time by notice to the other parties. Notices given by mail in accordance with this paragraph shall be deemed to have been given on the date of mailing; notices given by hand shall be deemed to have been given when actually received.

**6.04 Substitute Trustee.** Beneficiary may substitute one or more trustees or execute the trust hereby created, and the new trustee(s) shall succeed to all the powers and duties of the prior trustee(s).

**6.05 Trust Deed Binding on Successors and Assigns.** This Trust Deed shall be binding on and inure to the benefit of the heirs, legatees, personal representatives, successors, and assigns of Grantor, Trustee and Beneficiary.

**6.06 Indemnity.** Grantor shall, to the fullest extent allowed by law, hold Beneficiary and Trustee and, if either is a corporation or other legal entity, their respective directors, officers, employees, agents, and attorneys harmless from and indemnify them for any and all claims, demands, damages, liabilities, and expenses, including but not limited to, attorney fees and court costs, arising out of or in connection with Trustee's or Beneficiary's interests and rights under this Trust Deed.

**6.07 Expenses and Attorney Fees.** Grantor shall pay all fees and expenses, taxes, assessments, and charges arising out of or in connection with the execution, delivery, and recording of this Trust Deed. If Beneficiary refers any of the Obligations to an attorney for collection or seeks legal advice following a default; if Beneficiary is the prevailing party in any litigation instituted in connection with any of the Obligations; or if Beneficiary or any other person initiates any judicial or nonjudicial action, suit, or proceeding in connection with any of the Obligations or the Trust Property (including but not limited to bankruptcy, eminent domain or probate proceedings), and a lawyer is employed by Beneficiary to appear in any such proceeding or seek relief from a judicial or statutory stay, or otherwise

enforce Beneficiary's interests, then in any such event Grantor shall pay reasonable attorney fees, costs, and expenses incurred by Beneficiary in connection with the above mentioned events and any appeals. Such amounts shall be secured by this Trust Deed and, if not paid on demand, shall bear interest at the rate specified in the Note.

**6.08 Applicable Law.** Subject to those special stipulations set forth on Exhibit "C", this Trust Deed shall be governed by the laws of the state of Oregon.

**6.09 Person Defined.** As used in this Trust Deed, the word *person* shall mean any natural person, partnership, trust, corporation, or other legal entity of any nature.

**6.10 Severability.** If any provision of this Trust Deed shall be held to be invalid, illegal, or unenforceable, the other provisions of this Trust Deed shall not be affected.

**6.11 Entire Agreement.** This Trust Deed contains the entire agreement of the parties with respect to the Trust Property. No prior agreement or promise made by any party to this Trust Deed that is not contained herein shall be binding or valid.


**6.12 Joint and Several Liability.** If this Trust Deed is executed by two or more persons as Grantor, all of such persons shall be liable, jointly and severally, for payment of all sums and performance of all other covenants in this Trust Deed.

**6.13 Standard for Discretion.** If this Trust Deed is silent on the standard for any consent, approval, determination, or similar discretionary action, the standard shall be sole and unfettered discretion as opposed to any standard of good faith, fairness and reasonableness.

[SIGNATURES ON FOLLOWING PAGE]

GRANTOR:

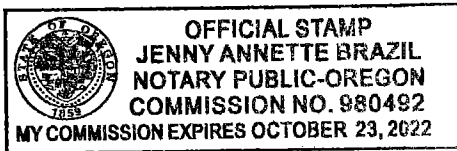
TRAJAN CORP, an Oregon corporation


By:  (SEAL)  
Matthew Hadler, President

STATE OF Oregon

COUNTY OF Klamath

The foregoing instrument was acknowledged before me this 7 day of June, 2019,  
by MATTHEW HADLER, President of Trajan Corp, an Oregon corporation.



  
Notary Public for Oregon

My commission expires: 10/23/2022

EXHIBIT "A"

REAL PROPERTY IN THE COUNTY OF KLAMATH, STATE OF OREGON, DESCRIBED AS  
FOLLOWS:

Parcel 1

82

Lot 1 of Minor Land Partition 39-90, situated in the West 1/2 of the West 1/2 of Section 26,  
Township 33 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon.

EXHIBIT "B"

PERMITTED EXCEPTIONS

1. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: The California Oregon Power Company  
Recorded: May 1, 1933  
Volume: 99, page 638, Deed Records
2. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: The California Oregon Power Company, a California corporation  
Recorded: July 27, 1933  
Volume: 101, page 287, Deed Records
3. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: Roger Nicholson  
Recorded: April 25, 1991  
Volume: M91, page 7679
4. Subject to the terms and provisions of Order No. 91-085 of the Board of County Commissioners; dated January 29, 1991, recorded February 5, 1991 in Volume M91, page 2250 Microfilm Records of Klamath County, Oregon.
5. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: Roger Nicholson  
Recorded: September 16, 1991  
Volume: M91, page 18615
6. Agreement for Easement, including the terms and provisions thereof,  
Recorded: May 16, 1991  
Volume: M91, page 9273
7. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: Dean C. Engelson and Jennifer S. Engelson, Trustees under the Engelson Trust of 1995  
Recorded: May 1, 2007  
Instrument No.: 2007-007760

EXHIBIT "C"  
SPECIAL STIPULATIONS

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:

a) 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.

b) Beneficiary 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.

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