

MIT 4/7/17 10AM

2021-010346

Klamath County, Oregon

07/01/2021 03:18:00 PM

Fee: \$117.00

After recording return to:

Winterfox Farms LLC
5675 Keene Road
Corning, CA 96021

Beneficiary's name and address:

Winterfox Farms LLC
5675 Keene Road
Corning, CA 96021

Tax account numbers of the property: R501610
and R498884

TRUST DEED

This Trust Deed ("**Trust Deed**") is made on June 29, 2021 by Lyonheart Klamath Falls LLC, an Oregon limited liability company ("**Grantor**"), in favor of AmeriTitle, LLC, an Oregon limited liability company ("**Trustee**"), for the benefit of Winterfox Farms LLC, an Oregon limited liability company ("**Beneficiary**").

SECTION 1. DEFINITIONS

- 1.1 **Capitalized Terms.** Unless defined elsewhere in this Trust Deed, capitalized terms used in this Trust Deed will have the following meanings:

"**Event of Default**" has the meaning set forth in the Notes.

"**Obligations**" means all present and future obligations and liabilities of any kind owed by Grantor to Beneficiary, including but not limited to all of Grantor's obligations arising out of: (a) the Notes; and (b) this Trust Deed.

"**Lien**" means any mortgage, pledge, hypothecation, assignment (as security), deposit arrangement, encumbrance, lien (statutory or other), charge, or other security interest, or any preference, priority, or other security agreement or preferential arrangement of any kind or nature whatsoever having substantially the same economic effect as any of the foregoing (including any conditional sale or other title retention agreement and any capital lease).

"**Notes**" means: (i) the Promissory Note dated June 30, 2021 made by Grantor in favor of Beneficiary in the principal amount of \$250,000.00; and (ii) the Promissory Note dated June 30, 2021 made by Grantor in favor of Beneficiary in the principal amount of \$102,500.00.

"**Permitted Liens**" means: (a) Liens in favor of Trustee or Beneficiary; (b) Liens arising by operation of law for taxes, assessments, or government charges not yet due; and (c) statutory Liens for services or materials for which payment is not yet due.

"**Property**" means all of that certain lot, piece, or parcel of land located at 12575 Hwy 66, Klamath Falls, Klamath County, Oregon, as more particularly bounded and described in Exhibit A together with all buildings, fixtures, improvements, rents, and other rights and interests appurtenant to the property.

- 1.2 **ORS Chapter 86.** Unless the context clearly indicates otherwise, terms used in this Trust Deed that are defined in ORS Chapter 86 will have the meanings ascribed to them in ORS Chapter 86.

SECTION 2. TRUST

- 2.1 Transfer.** As security for the full and prompt payment and performance of the Obligations, Grantor transfers and assigns to Trustee in trust for the benefit of Beneficiary, with power of sale, all of Grantor's right, title, and interest in and to the Property, subject to the provisions of this Trust Deed.
- 2.2 Recording and Perfection.** Beneficiary may record this Trust Deed in the mortgage records in Klamath County, Oregon. Upon Trustee's or Beneficiary's reasonable request, Grantor will take any actions that Trustee or Beneficiary deems reasonably necessary to perfect and continue Trustee's and Beneficiary's rights under this Trust Deed.
- 2.3 Reconveyance.** Within 30 days after the full payment and performance of the Obligations, Beneficiary must deliver a written request to Trustee to reconvey the Property to Grantor. Within 30 days after Beneficiary delivers the written request to reconvey to Trustee, Trustee must reconvey the Property to Grantor.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF GRANTOR

Grantor represents and warrants to Beneficiary as follows:

- 3.1 Authority.** Grantor has full power and authority to sign and deliver this Trust Deed and to perform all of Grantor's obligations under this Trust Deed.
- 3.2 Binding Obligation.** This Trust Deed is the legal, valid, and binding obligation of Grantor, enforceable against Grantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.
- 3.3 No Conflicts.** The signing and delivery of this Trust Deed by Grantor and the performance by Grantor of all of Grantor's obligations under this Trust Deed will not: (a) breach any agreement to which Grantor is a party, or give any person the right to accelerate any obligation of Grantor; (b) violate any law, judgment, or order to which Grantor is subject; or (c) require the consent, authorization, or approval of any person, including but not limited to any governmental body.
- 3.4 Title to Property.** Grantor has good title to the Property, free from all Liens except Permitted Liens.

SECTION 4. COVENANTS OF GRANTOR

Grantor covenants to Beneficiary that Grantor will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

- 4.1 Ownership of Property.** Grantor will keep the Property free from all Liens except Permitted Liens. Grantor will defend Trustee's and Beneficiary's rights under this Trust Deed against the adverse claim of any person.
- 4.2 Inspection.** Upon Beneficiary's request, Grantor will permit Beneficiary to inspect the Property.

SECTION 5. DAMAGE OR DESTRUCTION

Grantor will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

- 5.1 Assignment of Proceeds.** Grantor assigns and transfers to Beneficiary all of Grantor's rights to receive insurance proceeds under all insurance policies that provide coverage to Grantor for the Property.
- 5.2 Application of Proceeds.** If any damage or destruction occurs with respect to the Property, and if Beneficiary receives any insurance proceeds under any insurance policy that provides coverage to Grantor for the Property: (a) Beneficiary may hold the proceeds as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 5.2; and (b) Beneficiary may, in Beneficiary's sole discretion, apply the proceeds: (1) to the Obligations, whether or not the Obligations are then due; or (2) to the cost and expense of restoring the portion of the Property that was damaged or destroyed, subject to any conditions that Beneficiary deems reasonably necessary to ensure that the Property is properly restored, including but not limited to holding the proceeds until the restoration is complete.

SECTION 6. PAYMENT OF TAXES AND OTHER CHARGES BY BENEFICIARY

Whenever Grantor fails to pay when due any taxes, assessments, premiums necessary to obtain and maintain the insurance policies, or other charges necessary to be paid for the protection of Trustee's and Beneficiary's rights under this Trust Deed, Beneficiary may pay the same. Such payments will be added to the Obligations, and will bear interest at the same rate as specified in the Notes.

BENEFICIARY'S WARNING TO GRANTOR

Unless you [Grantor] provide us [Beneficiary] with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

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

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

SECTION 7. EVENT OF DEFAULT AND REMEDIES

- 7.1 Remedies.** On and after an Event of Default, Beneficiary may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently:

- (a) unless prohibited by law, upon notice to Grantor, the right to accelerate the due dates of the Obligations so that the Obligations are immediately due, payable, and performable in their entirety;
- (b) upon notice to Grantor, the right to take possession, control, and charge of the Property;
- (c) the right to institute an action to appoint a receiver to take charge of the Property;
- (d) the right to institute an action to obtain a temporary restraining order;
- (e) upon notice to Grantor, the right to pay and perform any of the Obligations;
- (f) any remedy available to Beneficiary under ORS Chapter 86, including but not limited to the foreclosure of this Trust Deed by advertisement and sale in the manner provided in ORS 86.705 to ORS 86.795;
- (g) the right to foreclose this Trust Deed as provided by law for the foreclosure of mortgages on real property; and
- (h) any other remedy available to Beneficiary at law or in equity.

7.2 Possession and Protection of Property.

- (a) If Beneficiary or a receiver takes possession, control, or charge of the Property after an Event of Default, Grantor will peacefully relinquish possession of the Property upon Beneficiary's or the receiver's request.
- (b) If Beneficiary or the receiver receives any rent or other payments after taking possession, control, or charge of the Property:
 - (1) Beneficiary may hold the payments as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 7.2(b); and
 - (2) Beneficiary may, in Beneficiary's sole discretion, apply the payments:
 - (A) to the Obligations, whether or not the Obligations are then due; or
 - (B) to the cost and expense of protecting the Property.

7.3 Sale of Property. After an Event of Default, Trustee may sell the Property in one parcel or in separate parcels and will sell the parcel or parcels at auction to the highest bidder for cash. Any person, including Beneficiary, but excluding Trustee, may bid at the sale. The attorney for Trustee, or any agent designated by Trustee or the attorney, may conduct the sale and act in the sale as the auctioneer of Trustee.

7.4 Proceeds of Sale of Property. After an Event of Default and a sale of one or more parcels of the Property by Trustee, Trustee must apply the proceeds of the sale as follows:

- (a) to the expenses of the sale, including the compensation of Trustee, and a reasonable charge by the attorney for Trustee;

- (b) to the Obligations;
- (c) to all persons having recorded liens subsequent to the interest of Trustee in this Trust Deed as their interests may appear in the order of their priority; and
- (d) the surplus, if any, to Grantor or to the successor in interest of Grantor entitled to such surplus.

SECTION 8. RELEASE, INDEMNIFICATION, AND WAIVERS

- 8.1 Release and Indemnification.** Grantor releases and will defend and indemnify Trustee and Beneficiary for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of: (a) any action that Trustee or Beneficiary takes to perfect or continue Trustee's and Beneficiary's rights under this Trust Deed; or (b) the exercise of any remedy available to Beneficiary under this Trust Deed, without regard to cause or the negligence of Trustee, Beneficiary, or any other person.
- 8.2 Waiver by Grantor.** Grantor waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Beneficiary may amend any agreement evidencing, guaranteeing, or securing any of the Obligations or extend or postpone the due dates of the Obligations without affecting Grantor's liability.
- 8.3 No Waiver by Beneficiary.** No waiver will be binding on Beneficiary unless it is in writing and signed by Beneficiary. Beneficiary's waiver of a breach of a provision of this Trust Deed or any agreement evidencing, guaranteeing, or securing any of the Obligations will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. Beneficiary's failure to exercise any remedy under this Trust Deed or any agreement evidencing, guaranteeing, or securing any of the Obligations will not be considered a waiver by Beneficiary of Beneficiary's right to exercise the remedy.

SECTION 9. SUCCESSOR TRUSTEE

At any time, Beneficiary may appoint in writing a successor Trustee. If the appointment of the successor Trustee is recorded in the mortgage records in Klamath County, Oregon, the successor Trustee will be vested with all the powers of the original Trustee.

SECTION 10. GENERAL

- 10.1 Time of Essence.** Time is of the essence with respect to all dates and time periods in this Trust Deed.
- 10.2 No Assignment.** Grantor may not assign or delegate any of Grantor's rights or obligations under this Trust Deed to any person without the prior written consent of Beneficiary, which Beneficiary may withhold in Beneficiary's sole discretion.
- 10.3 Binding Effect.** This Trust Deed will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

- 10.4 Amendment.** This Trust Deed may be amended only by a written document signed by the party against whom enforcement is sought.
- 10.5 Notices.** All notices or other communications required or permitted by this Trust Deed must be in writing, must be delivered to the parties at the addresses set forth below, or any other address that a party may designate by notice to the other parties, and are considered delivered: (a) upon actual receipt if delivered personally, by fax, or by a nationally recognized overnight delivery service; or (b) at the end of the third business day after the date of deposit in the United States mail, postage pre-paid, certified, return receipt requested.

To Grantor:

Lyonheart Klamath Falls LLC
4771 Pacific Avenue
Eugene, OR 97402
Attn: Ernest Lee

To Trustee:

AmeriTitle, LLC
300 Klamath Avenue
Klamath Falls, OR 97601
Attn: Jill Lowery

To Beneficiary:

Winterfox Farms LLC
5675 Keene Road
Corning, CA 96021
Attn: Edgar Winters

- 10.6 Severability.** If a provision of this Trust Deed is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Trust Deed will not be impaired.
- 10.7 Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Trust Deed.
- 10.8 Attachments.** Any exhibits, schedules, and other attachments referenced in this Trust Deed are part of this Trust Deed.
- 10.9 Remedies.** The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.
- 10.10 Governing Law.** This Trust Deed is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Trust Deed.
- 10.11 Venue.** Any action or proceeding arising out of this Trust Deed will be litigated in courts located in Klamath County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Klamath County, Oregon.
- 10.12 Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Trust Deed, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration,

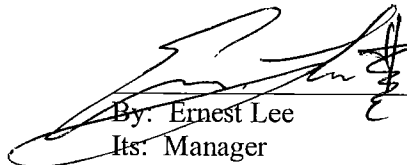
the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

- 10.13 Entire Agreement.** This Trust Deed contains the entire understanding of the parties regarding the subject matter of this Trust Deed and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Trust Deed.

Dated effective: June 29, 2021

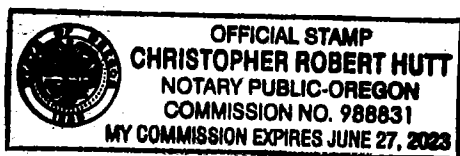
Grantor:

Lyonheart Klamath Falls LLC


By: Ernest Lee
Its: Manager

State of Oregon)
County of Multnomah) ss.

This instrument was acknowledged before me on June 29, 2021 by Ernest Lee as manager of Lyonheart Klamath Falls LLC.





Notary Public for Oregon
Commission No.: 988831
My Commission Expires: 6/27/23

EXHIBIT A

Legal Description

A parcel of land lying in Section 29 and 32, Township 39 South, Range 8 East of the Willamette Meridian, being a portion of that real property described on page 659 Volume 259, said parcel more particularly described as follows:

Starting at a steel stake set in a mound of stone, which stake marks the Northeast corner of the SE1/4 SW1/4 Section 29; thence South 89° 19.9' East 1326.07 feet along a well established fence line to a fence corner, which fence corner is the true place of beginning of this description; thence South 0° 53' West, 471.75 feet along a well established fence line to a fence corner; thence North 79° 07' West, 18.53 feet to a fence corner; thence South 0° 53' West 907 feet along a well established fence line to a fence corner; thence South 49° 07' East 23.82 feet to a fence corner; thence South 0° 53' West 1422.99 feet along a well established fence line to a steel stake; thence South 72° 14.4' West 157.54 feet to a steel stake; thence South 0° 53' West 200 feet more or less to a steel stake which lies on the Northerly right of way line of Oregon Highway 66 as constructed; thence North 72° 56.4' East, 444.5 feet along said Highway right of way line to a fence corner; thence North 0° 59.7' East, 2928.52 feet along a well established fence line and line extended to a steel stake; thence North 89° 19.9' West 279.32 feet to the point of beginning.