

Recording Information

Name of Transaction: Trust Deed

Parties: The Copperfield Draw, LLC, Grantor

AmeriTitle, Trustee

Joan L. Carrillo, Trustee of the Joan L. Carrillo Revocable Living Trust, dated November 29, 2018, Beneficiary

Consideration: \$470,000

After Recording Return to:

AmeriTitle
P.O. Box 5017
Klamath Falls, OR 97601

Send tax statements to:

The Copperfield Draw, LLC
PO Box 787
Salem, OR 97308



2022-006136
Klamath County, Oregon
05/13/2022 01:26:01 PM
Fee: \$112.00

TRUST DEED

Effective on the Date of

May 12, 2022

The Copperfield Draw, LLC
8100 Sprague River Rd.
Chiloquin, OR 97624

hereinafter "GRANTOR"

AmeriTitle
P.O. Box 5017
Klamath Falls, OR 97601

hereinafter "TRUSTEE"

Joan L. Carrillo, Trustee of the Joan L. Carrillo Revocable Living Trust, dated November 29, 2018
10215 E. Underwood Rd
Acampo, CA 95220

hereinafter "BENEFICIARY"

WHEREAS, Beneficiary has offered to make a loan to Grantor in the sum of \$470,000 (Four Hundred Seventy Thousand Dollars and Zero Cents), which loan is to be evidenced by a Promissory Note of even date herewith; and

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

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and for the purpose of securing Grantor's obligations contained in the Promissory Note and as described below, it is agreed as follows:

WITNESSETH:

§1 Conveyance.

- 1.1 Property.** Grantor irrevocably grants and conveys to Trustee, in trust, for the benefit and security of Beneficiary, with power of sale, the following-described Property together with all tenements, hereditaments, and appurtenances, and all existing or subsequently erected or affixed improvements or fixtures (collectively referred to as the "Property"):
- 1.1.1 Common Address.** 8100 Sprague River Rd, Chiloquin, OR
- 1.1.2 Legal Description.** See Exhibit A
- 1.2 Security.** This Trust Deed secures to Beneficiary: (a) the repayment of the debt evidenced by the Promissory Note ("Note"), with interest, and all renewals, extensions, and modifications; (b) the payment of all other sums, with interest, advanced under Section 3.4 to protect the security of this Trust Deed; and (c) the performance of Grantor's covenants and agreements under this Trust Deed and the Note.
- 1.3 Covenant of Title.** Grantor warrants that it holds good and merchantable title to the Property and improvements thereon, free and clear of all liens, encumbrances, reservations, restriction, easements, and adverse claims, except for encumbrances of record. Grantor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

§ 2 Possession and Maintenance of Property.

- 2.1 Possession.** Until in default, Grantor shall be entitled to possession and control of the Property.
- 2.2 Maintenance.** Grantor shall not commit or suffer waste on the property.

Hazardous Substances. Beneficiary represents and warrants that it has caused the Property and all operations conducted thereon to comply with all environmental laws. Beneficiary represents and warrants no person or entity released, leaked, stored, manufactured or disposed of any hazardous substance into the groundwater or on the Property.

Beneficiary indemnifies and holds Grantor harmless from all claims, penalties, fines, costs or liabilities arising from acts prior to the date of this agreement and related in any way to the violation of environmental laws or the breach of the warranties contained in this Trust Deed, including but not limited to, costs of investigation, cleanup, remedial or restoration work, fines and penalties, attorney and expert fees. These warranties and indemnities survive any foreclosure or delivery of any deed in lieu of foreclosure and any reconveyance upon payment in full of the Note.

"Hazardous Substance" is used in this agreement in its broadest sense to include all hazardous, toxic or contaminating substances, including petroleum products, radon, asbestos or similar materials which are now or in the future regulated by any environmental law. "Environmental Law" shall be interpreted broadly to include any present or future local, municipal, state or federal law, order, rule or regulation relating to environmental protection and pollution control.

§ 3 Taxes and Insurance.

- 3.1 Taxes and Liens.** Grantor shall pay before they become delinquent all taxes and assessments levied against or on account of the Property, and shall pay as due all claims for work done on or for services rendered or material or supplies furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of beneficiary under this deed, except for the lien of taxes and assessments not delinquent and except as otherwise provided in the Section 3.2.

- 3.2 Disputes.** Grantor may, at its own expense after prior notice to Beneficiary, contest by appropriate legal, administrative, or other proceedings conducted in good faith with due diligence, the amount, validity, or applications, in whole or in part of any tax, lien, or charge assessed or levied against the Property, so long as Beneficiary's interest in the Property is not jeopardized and Beneficiary or Trustee be exposed to any risk of liability. If a lien arises or is filed as a result of nonpayment, Grantor shall within 60 days after the lien arises or, if the lien is filed, within 60 days after Grantor has notice of the filing, secure the discharge of the lien or deposit with beneficiary cash or sufficient corporate surety bonds or other security satisfactory to beneficiary in an amount sufficient to discharge the lien. The assessor or tax collector of the county in which the Property is located is authorized to deliver to Beneficiary a written statement of the Property taxes assessed or owing at any time.
- 3.3 Insurance.** Grantor shall keep the improvements now existing or to be erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards for which Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires. The insurance carrier providing the insurance shall be chosen by Grantor subject to Beneficiary's approval, which shall not be withheld unreasonably. All policies of insurance on the Property shall bear an endorsement in a form satisfactory to Beneficiary. In the event of loss, Grantor shall immediately notify Beneficiary, who may make proof of loss if it is not made promptly by Grantor. Grantor shall list Beneficiary as additional insured and loss payee. At least 30 days prior to the expiration of any policy, a satisfactory renewal or substitute policy shall be secured by Grantor.
- 3.4 Expenditures by Beneficiary.** If Grantor shall fail to comply with any provision of this Trust Deed, beneficiary may at its option on Grantor's behalf take the required action, and any amount that it expends in so doing shall be added to the indebtedness. Amounts so added shall be payable on demand with interest at the rate of 6% from the date of expenditure.
- 3.5 Warning.** Pursuant to Oregon Revised Statutes 746.201, as to the insurance coverage Grantor is required to provide under §3.3 above, unless Grantor provides Beneficiary with evidence of the insurance coverage as required by this agreement, Beneficiary may purchase insurance at Grantor's expense to protect Beneficiary's interest. This insurance may, but need not, also protect Grantor's interest. If the collateral becomes damaged, the coverage Beneficiary's 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 Beneficiary. The cost of this insurance may be added to the Note balance. If the cost is added to the Note balance, the interest rate on the underlying Note 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 Beneficiary purchases may be considerably more expensive than insurance Grantor can obtain on Grantor's own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

§ 4 Condemnation.

- 4.1 Condemnation Proceedings.** If all or any part of the Property is taken under the right of eminent domain or condemnation, Beneficiary may elect to require that all or any portion of the net proceeds of the award be applied on the indebtedness. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees necessarily paid or incurred by Grantor, Beneficiary, and Trustee in connection with the condemnation. If any proceedings in condemnation are filed, Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award, and execute such documents as may be necessary.

§ 5 Powers and Duties of Trustee.

- 5.1 Duties and Powers.** 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 to this Trust Deed of any pending sale under any other trust deed or of any action or proceeding in which Grantor, Beneficiary, or Trustee shall be a party, unless brought by trustee. At any time or from time to time, without liability for the same and without notice, on Beneficiary's written request and presentation of this Trust Deed and such Promissory Note for

endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured by this Trust Deed, Trustee may reconvey all or any part of the Property; consent to the making of any map or plat of the Property; join in granting any easement on the Property; or join in any extension agreement or any agreement subordinating this Trust Deed to subsequent liens or charges.

- 5.2 Reconveyance.** On Beneficiary's written request stating that all sums secured by this Trust Deed have been paid, and on payment of Trustee's fees, Trustee shall reconvey, without warranty, the Property then held under this Trust Deed. The recitals in any reconveyance accepted under this Trust Deed of any matters or facts shall be conclusive proof of their truthfulness. The Grantee in such reconveyance may be described as "the person or persons legally entitled to the Property," and such person or persons shall pay any recordation costs. Grantor retains all rights and remedies provided in ORS 86.720, if Beneficiary fails or refuses to request reconveyance.
- 5.3 Substitute Trustee.** Beneficiary may from time to time remove Trustee and appoint a Successor Trustee to any trustee appointed under this Trust Deed. Without conveyance of the Property, the Successor Trustee shall succeed to all the title, power, and duties conferred on Trustee and by applicable law.

§ 6 Default Provisions.

- 6.1 Events of Default.** Default shall occur if:
- 6.1.1 Nonpayment.** Grantor fails to pay any sums due after not less than 10 days' written notice from Beneficiary to Grantor;
- 6.1.2 Other Failure.** Grantor fails to perform any other obligation imposed by this Trust Deed incumbent upon Grantor to be performed; provided, that Beneficiary shall first give notice to Grantor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in any remedy upon default provided herein;
- 6.1.3 Transfer.** Grantor sells or transfers all or any part of the Property or any interest in it without Beneficiary's prior written consent, or otherwise violates Section 7.4.
- 6.2 Remedies Upon Default.** In the event of default, Beneficiary may take any one or more of the following steps:
- 6.2.1 Acceleration.** Declare the entire balance of the Promissory Note and interest immediately due and payable;
- 6.2.2 Foreclosure.** Foreclose this agreement by suit in equity or by advertisement and sale by Trustee, in either case in accordance with applicable law; in exercising its rights and remedies, Beneficiary shall be free to sell all or any part of the Property together or separately; and Beneficiary shall be entitled to bid at any public sale of all or any portion of the Property;
- 6.2.3 Abandon Security.** Abandon any security afforded by this Trust Deed or any other security instrument by notifying Grantor of Beneficiary's election to do so;
- 6.2.4 Tenancy at Will.** If Grantor remains in possession of the Property after the Property is sold as provided herein or Beneficiary otherwise becomes entitled to possession of the Property on the default of Grantor, Grantor shall become a tenant at will of Beneficiary or the purchaser of the Property and shall pay while in possession a reasonable rental for use of the Property.
- 6.3 Other Remedies.** The remedies provided above shall be non-exclusive and in addition to any other remedies provided by law, or as provided in any existing or subsequent agreement of the parties. Grantor's covenants and agreements shall be joint and several.
- 6.4 Grantor's Right to Cure.** Unless otherwise provided in this Trust Deed, Beneficiary and Trustee shall take no action to enforce this Trust Deed or the Note until Beneficiary has given the required notice of the default and the Grantor has not cured the default within the required time to cure. If Grantor timely cures, this Trust Deed shall remain in full effect and Beneficiary waives any right to enforce this Trust Deed or pursue any remedy with respect to the subject of the notice.

§ 7 General Provisions.

- 7.1 Binding Effect.** This agreement shall be binding upon, and inure to the benefit of, the parties hereto and of their respective successors and assigns.
- 7.2 Complete Agreement.** This document is the entire, final and complete agreement of the parties pertaining to the security for the Promissory Note as described above, and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives.
- 7.3 Documents.** Each party shall sign, execute and deliver such documents as are necessary to either party to fulfill the provisions and intent of this agreement.
- 7.4 Transfer by Grantor.** Grantor shall not, without the prior written consent of Beneficiary, transfer Grantor's interest in the Property, whether or not the transferee assumes or agrees to pay the indebtedness. If Grantor or a prospective transferee applies to Beneficiary for consent to such a transaction, Beneficiary may require such information concerning the transferee as would normally be required from a new loan applicant. Beneficiary shall not withhold its consent unreasonably.
- 7.5 Costs and Attorney Fees.** If suit or action is instituted to enforce any of the terms of this Trust Deed, the prevailing party shall be entitled to recover costs and such sum as the court or arbitrator may adjudge reasonable as attorney's fees at trial and on any appeal.
- 7.6 Nonwaiver.** Any forbearance or waiver by either party of a breach of a provision of this agreement shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this deed after failure of the Grantor to perform shall not affect Beneficiary's right to declare a default and exercise its remedies under Section 6.2.
- 7.7 Notices.** Any notice under this Trust Deed shall be in writing and shall be effective when either delivered in person or, if mailed, shall be deemed effective on the second day after deposited as first class, registered, or certified mail, postage prepaid, addressed to the party at the address below, or an address subsequently provided by notice in writing by the party.
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|---|--------------------------------------|
| <p><u>Notice to Grantor:</u>
c/o Marcus Whitney
Meliora Legal, LLC
PO Box 787
Salem, OR 97308</p> | <p><u>Notice to Beneficiary:</u></p> |
|---|--------------------------------------|
- 7.8 Applicable Law and Severability.** This Trust Deed shall be governed by the law of Oregon. If any provision or clause of this Trust Deed or the Promissory Note conflicts with such law, the conflict shall not affect other provisions of this Trust Deed or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Trust Deed and the Note are declared to be severable.
- 7.9 Survival.** Unless otherwise provided no terms, conditions, or obligations provided in this Trust Deed shall survive any foreclosure or delivery of any deed in lieu of foreclosure and any reconveyance upon payment in full of the Note.
- 7.10 Number, Gender and Captions.** As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this contract.
- 7.11 Preparation of Instrument.** Beneficiary recognizes that this Trust Deed and any Memorandum thereof has been prepared by Marcus Whitney, as attorney for the Grantor. Beneficiary shall have the right to have the provisions hereof reviewed by an attorney of Beneficiary's choice, and by signing this instrument acknowledges to have done so, or waived such right.

IN WITNESS WHEREOF, Grantor accepts and agrees to the terms and covenants contained in this Trust Deed, this 12 day of May, 2022.

GRANTOR:
The Copperfield Draw, LLC

By: Kristen Gallino
Kristen Gallino, Member

State of Oregon, County of ^{Linn} ~~Klamath~~ Linn

Personally appeared the above-named Kristen Gallino, as a Member of The Copperfield Draw, LLC, and acknowledged the foregoing instrument to be her voluntary act and deed.

[Signature]
Notary Public for Oregon

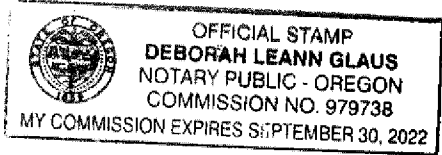


EXHIBIT "A"

The following described property is situate in Township 34 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

Section 27: SW1/4 lying Southerly of the Sprague River Road.

Section 28: E1/2 SE1/4 lying Southerly of the Sprague River Road and all that portion of the E1/2 SW1/4 NE1/4 and the SE1/4 NE1/4 lying South of the Chiloquin-Sprague River Highway, as presently located, and being more particularly described as follows: Beginning at the intersection of the Westerly right of way line of the Chiloquin-Sprague River Highway and the East-West center section line of said Section 28; thence West along the center section line 1664.0 feet to the Southwest corner of the E1/2 SW1/4 NE1/4 of aforesaid Section 28; thence North 2° 26' East along the West boundary of the aforesaid E1/2 SW1/4 NE1/4 of said Section 28, 912.0 feet, more or less, to the Southerly right of way boundary of the aforesaid Chiloquin-Sprague River Highway; thence Southeasterly along said right of way boundary as follows: South 66° 50' East 670 feet; South 64° 16' East 407.5 feet; South 58° 41' East 288.7 feet; South 53° 06' East 299.5 feet, and South 48 degrees 03' East 215.8 feet, more or less, to the point of beginning.

Section 34: W1/2 NE1/4, NW1/4 lying Southerly of the Sprague River Road.