

After recorded, mail to:
Jesse D. Conway
1014 Franklin Street
Vancouver, WA 98660

DEED OF TRUST SECURING A PROMISSORY NOTE

This Deed of Trust, made April 19, 2024 between Dana Wells, for Panelo, LLC, as Trustor, Jesse D. Conway as the Trustee, and PNW Bridge Holdings, LLC, as the Beneficiary.

Trustor hereby irrevocably grants to Trustees in trust, with power of sale, the real property in the City of Klamath Falls, County of Klamath, Oregon, referred to as:

Please See Exhibit A.

Commonly known as 1717 Main Street Klamath Falls, OR 97601

1.0 For the purpose of securing payment of:

the indebtedness evidenced by secured promissory note of the same date executed by Trustor, in the sum of \$300,000.00;

Any additional sums and interest hereafter loaned by Beneficiary to the then record Owner of the real property, evidenced by a secured promissory note or notes, referencing this Deed of Trust as security for payment; and

The performance of each agreement contained in this Deed of Trust.

2.0 To protect the security of this Deed of Trust, Trustor agrees:

2.1 CONDITION OF PROPERTY. To keep the property in good condition and repair; not to remove or demolish any building; to complete and restore any building which may be constructed, damaged or destroyed; to comply with all laws affecting the property or requiring any alterations or improvements to be made; not to commit or permit waste; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the property may be reasonably necessary.

2.2 HAZARD INSURANCE. Trustor will continuously maintain hazard insurance against loss by fire, hazards included within the term "extended coverage," and any other hazards for which Beneficiary requires insurance. The insurance will be maintained in the amounts and for the periods Beneficiary requires. The insurance carrier providing the insurance will be chosen by Trustor, subject to Beneficiary's approval, which will not be unreasonably withheld. All insurance policies will be acceptable to Beneficiary and contain loss payable clauses acceptable to Beneficiary. Beneficiary will have the right to hold policies and renewals.

In the event of loss, Trustor will give prompt notice to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly by Trustor. Beneficiary may place the

proceeds in an account to be used for the cost of reconstruction of the damaged improvements. If Trustor fails to reconstruct, Beneficiary may receive and apply the loan proceeds to the principal debt hereby secured, without a showing of impairment.

2.3 ATTORNEY FEES. To appear in and defend any action or proceeding purporting to affect the security, or the rights and powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidencing title and attorney fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

2.4 TAXES AND SENIOR ENCUMBERANCES. To pay at least 10 days before delinquency: all taxes and assessments affecting the property, including water stock assessments when due, all encumbrances, charges and liens, with interest, on the property which are or appear to be senior to this Deed of Trust; and all expenses of this Deed of Trust.

2.5 ACTS AND ADVANCES TO PROTECT THE SECURITY. If Trustor fails to make any payment or to perform any act provided for in this Deed of Trust, then Beneficiary or Trustee may, without obligation to do so, and with or without notice or demand upon Trustor, and without releasing Trustor from any obligation under this Deed of Trust:

Make or do the same to the extent either deems necessary to protect the security, Beneficiary or Trustee being authorized to enter upon the property to do so;

Appear in or commence any action or proceeding purporting to affect the security, or the rights or powers of Beneficiary or Trustee;

Pay, purchase, contest or settle any encumbrance, charge or lien that appears to be senior to this Deed of Trust.

In exercising the power of this provision, Beneficiary or Trustee may incur necessary expenses, including reasonable attorney fees.

Trustor to immediately pay all sums expended by Beneficiary or Trustee provided for in this Deed of Trust, with interest from date of expenditure at the same rate as the principal debt hereby secured.

3.0 It is further mutually agreed that:

3.1 ASSIGNMENT OF DAMAGES. Any award of damages made in connection with:

Condemnation for use of or injury to the property by the public, or conveyance in lieu of condemnation; or

Injury to the property by any third party;

is assigned to Beneficiary, who may apply or release the proceeds of such an award in the same manner and with the same effect as above provided for the disposition of hazard insurance proceeds.

3.2 WAIVER. By accepting payment of any sum due after its due date, Beneficiary does not waive Beneficiary's right to either require prompt payment when due of all other sums or to declare a default for failure to pay. Beneficiary may waive a default of any agreement of this Deed of Trust, by consent or acquiescence, without waiving any prior or subsequent default.

3.3 DUE-ON-SALE. If Trustor decides to sell, transfer or convey any interest in the property, legal or equitable, either voluntarily or by operation of law, then Beneficiary may, at Beneficiary's option, declare all sums secured by this Deed of Trust immediately due and payable.

3.4 ACCELERATION. If payment of any indebtedness or performance of any agreement secured by this Deed of Trust is in default, Beneficiary may at Beneficiary's option, with or without notice to Trustor, declare all sums secured immediately due and payable by:

Commencing suit for their recovery or for foreclosure of this Deed of Trust; delivering to Trustee a written notice declaring a default with demand for sale; a written Notice of Default and election to sell to be recorded by Trustee.

3.5 TRUSTEE'S SALE. On default of any obligation secured by this Deed of Trust and acceleration of all sums due, Beneficiary may instruct Trustee to proceed with a sale of the secured property under the power of sale granted herein, noticed and held in accordance with Oregon Law.

3.6 TRUSTOR'S OFFSET STATEMENT. Within 10 days of Trustor's receipt of a written request by Beneficiary, Trustor will execute a written estoppel affidavit identifying for the benefit of any assignee or successor in interest of Beneficiary: the then owner of the secured property; the terms of the secured note, including its remaining principal balance; any taxes or assessments due on the secured property; that the secured note is valid and the Trustor received full and valid consideration for it; and that Trustor understands the note and this Deed of Trust are being assigned.

3.7 RECONVEYANCE. Upon written request from Beneficiary stating that all sums secured by this Deed of Trust have been paid, surrender of this Deed of Trust and the note to Trustee for cancellation, and payment of Trustee's fees, Trustee will reconvey the property held under this Deed of Trust.

3.8 SUCCESSORS, ASSIGNS AND PLEDGEEES. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary will mean the holders and owner of the secured note.

3.9 SUBSTITUTE TRUSTEE. In the event of dissolution or resignation of Trustee, Beneficiary may substitute one or more trustees to execute the trust hereby created, and the new trustee(s) shall succeed to all the powers and duties of the prior trustee(s).

3.10 INDEMNITY. Trustor shall hold Beneficiary and Trustee and 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 interest under this Deed of Trust.

3.11 EXPENSES AND ATTORNEY FEES. If any arbitration, suit, or action is instituted to interpret or enforce the provisions of this Deed of Trust, or otherwise with respect to the subject matter of this Deed of Trust, the party prevailing on an issue will be entitled to recover with respect to such issue, in addition to costs, including the costs of experts and investigation, reasonable attorney fees incurred in preparation or in prosecution or defense of such arbitration, suit, or action as determined by the arbitrator or trial court, and if any appeal is taken from such decision, reasonable attorney fees as determined on appeal.

3.12 APPLICABLE LAW. The Deed of Trust and the validity, interpretation, performance, and enforcement of the Deed of Trust is governed by the laws of the State of Oregon.

3.13 SEVERABILITY. If any provision of this Deed of Trust is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provisions of this Deed of Trust, and such other provisions to be construed as if the invalid, illegal, or unenforceable provision had never been contained in the Deed of Trust.

3.14 ENTIRE AGREEMENT. This Deed of Trust and the secured promissory note described in section 1.0 above, are the agreement of the parties with respect to the Trust Property. No prior agreement, statement, or promise made by any party to this Deed of Trust that is not contained herein or expressly referenced herein will modify, amend, add to, subtract from or be otherwise construed as part of this agreement.

Trustor: _____

Dana Wells for Panelo, LLC

Date: _____

4-19-2024

STATE OF Washington

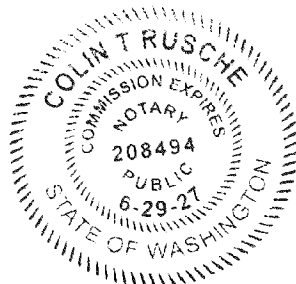
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) ss.

COUNTY OF Snohomish

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The foregoing instrument was acknowledged before me this 19th day of April, 2024 by Dana Wells.



Notary Public for Washington

My appointment expires: 6-29-27

EXHIBIT A
LEGAL DESCRIPTION

Parcel 1:

The South half of Lot 5 and all of Lots 6 and 7 in Block 4 WILLIAM ADDITION to the City of Klamath Falls, according to the official plat thereof on the file in the office of the County Clerk of Klamath County, Oregon.

ALSO the North half of Lot 5 in Block 4, WILLIAM ADDITION to the City of Klamath Falls according to the official plat thereof on file in the office of the County Clerk of Klamath County Oregon.

Parcel 2:

A portion of Lot 4, Block 4, WILLIAMS ADDITION to the City of Klamath, State of Oregon, and being more particular described as follows:

Beginning at a point on the South line of Lot 4, Block 4 of said Williams Addition said point being North 88°45'51" West 26.00 feet from the Southeast corner of Lot 4; thence North 88°45'51" West 42.70 feet along said South line of Lot 4; thence North 01°36'00" East 3.65 feet; thence South 88°45'51" East 42.70 feet along a line parallel with and 3.65 feet Northerly of the South line of said Lot 4; thence South 01°36'00" West 3.65 feet along a line parallel with and 36 feet Westerly of the East line of Lot 4 to the point of beginning.

Parcel 3:

A portion of Lots 2, 3, and 4 in Block 4 WILLIAM ADDITION to the City of Klamath Falls, Klamath County, Oregon, according to the official plat thereof on the file in the office of the County Clerk of Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the East line of Lot 2, Block 4 of WILLIAMS ADDITION said point being South 01°36'00" West, 10.00 feet from the Northeast corner of Lot 2; thence North 88°44'52" West, 36.00 feet along a line parallel with an 10 feet Southernly of the North line of said Lot 2; thence South 01°36'00" West 109.68 feet along a line parallel with and 10 feet Southernly of the North line of said Lot 2; thence South 01°36'00" West 109.68 feet along a line parallel with and 36 feet Westerly of the East line of said Block 4, to a point on the South line of Lot 4; thence South 88°45'51" East 36.00 feet along said South line to the Southeast corner of Lot 4; thence North 01°36'00" East 109.67 feet along the East line of said Block 4 to the point of beginning.