

UTC 88424-MS

GRANTOR:

Jonathan B. Hall
Balinda Hall
5252 Reeder Road
Klamath Falls, OR 97603

BENEFICIARY:

Donald C. Kirkpatrick, Trustee
Donald C. Kirkpatrick Trust U.T.A.D. March 11, 1999
1000 Town Center Drive, Room 2204
Klamath Falls, OR 97601

AFTER RECORDING RETURN TO:

Donald C. Kirkpatrick, Trustee
Donald C. Kirkpatrick Trust U.T.A.D. March 11, 1999
c/o AmeriTitle
300 Klamath Avenue, Klamath Falls, OR 97601

2010-013329

Klamath County, Oregon



00093025201000133290060066

11/16/2010 03:32:46 PM

Fee: \$62.00

2010-013409

Klamath County, Oregon



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11/18/2010 03:30:24 PM

Fee: \$62.00

FIRST TRUST DEED

THIS FIRST TRUST DEED, made this 16th day of November, 2010, between JONATHAN B. HALL and BALINDA HALL, as tenants by the entirety, jointly referred to herein as Grantor, AMERITITLE, as Trustee, and DONALD C. KIRKPATRICK, Trustee of the DONALD C. KIRKPATRICK TRUST U.T.A.D. MARCH 11, 1999, as Beneficiary,

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, that certain real property in Klamath County, Oregon, and legally described as follows:

SEE EXHIBIT "A", attached hereto and incorporated herein by this reference

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, including but not limited to water rights, 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 Grantor's payment of the sum of ONE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$175,000.00), with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable November 16, 2013.

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 Grantor either agree to, attempt to, or actually sell, convey, or assign all or any part of the property secured by this trust deed, or all or any part of Grantor's interest in said property without the prior written consent or approval of Beneficiary, then, at Beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates set forth therein or herein, shall become immediately due and payable.

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 any building or improvement thereon; not to commit or permit any waste of the property.
2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

TRUST DEED - 1

RERECORDED TO CORRECT LEGAL DESCRIPTION. PREVIOUSLY RECORDED IN 2010-

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3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform 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 the amount set forth in the Sale Agreement and Receipt For Earnest Money entered into by the parties, 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 past 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 its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights 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 costs, fees and expenses of this trust including the cost of title search as well as other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and the trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or 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 deed or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney fees; the amount of attorney fees mentioned in this 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 fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, 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 costs and expenses and attorney's fees, 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 of beneficiary, payment of its fees and presentation of this 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 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 be not 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 a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs 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 by or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such 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 last or in 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 recorded 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 of other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, the sums secured by the 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 costs 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 or 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 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 trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to any successor in 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.

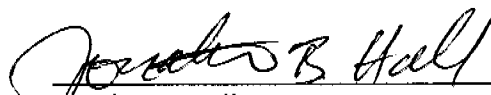

17. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be 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 interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereof, except as may be set forth in an addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, 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 purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. 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 expense than insurance grantor might otherwise obtain alone and may not satisfy the need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

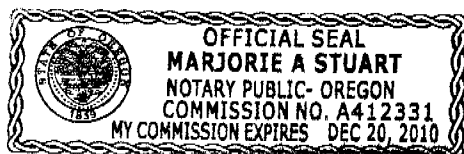
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, assumed and implied to make the provisions hereof apply equally to corporation and to individuals.

IN WITNESS WHEREOF, the Grantor has executed this instrument the day and year first above written.


Jonathan B. Hall

Balinda Hall

STATE OF OREGON)
)
County of Klamath) ss:

This instrument was acknowledged before me on 11/16, 2010, by Jonathan B. Hall and Balinda Hall.



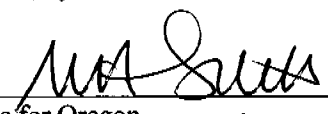

Notary Public for Oregon
My commission expires: 12/20/10

EXHIBIT "A"
LEGAL DESCRIPTION

The following described real property in Klamath County, Oregon:

Parcel 1:

A portion of the N 1/2 of the NW 1/4 of Section 17, Township 39 South, Range 10 East, of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly from the right of way of the O.C. & E. Railway and Easterly from the East bank of a drain of the Pine Grove Irrigation District, and being more particularly described as follows:

Beginning at a point in the North line of Section 17, which bears East 304.0 feet from the section corner common to Sections 7, 8, 17 and 18; thence East along the Section line, 2340.0 feet, more or less, to the center line of the Pine Grove County Road marking the Easterly boundary of said North one-half of the NW 1/4 of Section 17; thence Southerly, along the center line of said County Road to the intersection of the Northeasterly right of way line of the O.C. & E. Railway; thence North 66°57 1/2' West, along said Northeasterly right of way line, to a point which bears South 241.6 feet, more or less, from the point of beginning; thence North 241.6 feet, more or less, to the point of beginning. SAVING AND EXCEPTION THEREFROM, that certain tract conveyed by A. R. Campbell and Roy Kinsman to Grafton - Jackman Company and recorded in the Deed Records of Klamath County, Oregon in Volume 77, page 485; ALSO SAVING AND EXCEPTING, that certain tract conveyed by A. R. Campbell and Roy Kinsman to Nick Delis and recorded in the Deed Records of Klamath County, Oregon in Volume 180, page 333; ALSO SAVING AND EXCEPTING THEREFROM, that certain tract conveyed by Harold A. Campbell, et. ux. To Betty J. Ericks and recorded in the Deed Records of Klamath County, Oregon in Volume M66, page 2144; ALSO SAVING AND EXCEPTING THEREFROM a tract of land situated in the N 1/2 NW 1/4 of Section 17, Township 39 South, Range 10 East, of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the intersection of the centerline of the Pine Grove County Road (Reeder Road) and the North line of said Section 17, said point being East a distance of 2644.0 feet, more or less, from the Northwest corner of said Section 17; thence Southerly along the centerline of said County Road, a distance of 260.0 feet; thence West, parallel with the North line of said Section 17, a distance of 330.0 feet; thence Northerly, parallel with the centerline of said County Road a distance of 260.0 feet to the North line of said Section 17; thence East along the North line of said Section 17 a distance of 330.0 feet to the point of beginning.

EXCEPTING THEREFROM a parcel 12 feet in width along and adjacent to the Northerly line of the above described tract for maintenance of an irrigation ditch and ingress and egress to the property lying Westerly of said Tract.

(continued)

(Legal Description Exhibit A Continued)

Parcel 2:

A tract of land situated in the NE1/4 NW1/4 of Section 17, Township 39 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the intersection of the extension of an existing fence line and the East line of the said NE1/4 NW1/4, from which the C-N 1/16 corner of said Section 17 bears South 00°07'58" West 175.66 feet; thence North 66°59'44" West 32.56 feet to a 5/8" iron pin with Tru-Line Surveying, Inc. Plastic Cap in said fence line; thence continuing North 66°59'44" West 308.75 feet to a railroad tie fence corner post; thence South 86°16'38" West 23.68 feet to a railroad tie fence corner post; thence South 75°46'01" West 129.41 feet to a 5/8" iron pin with Tru-Line Surveying, Inc. Plastic Cap on the Northerly right of way line of the Oregon Parks Bike Path; thence ~~66°52'00"~~ *north West along said Northerly right of way line, 276.89 feet to a 5/8" iron pin with Tru-Line Surveying, Inc. Plastic Cap; thence North 23°08'00" East 110.00 feet to a 5/8" iron pin with Tru-Line Surveying, Inc. Plastic Cap; thence South 66°52'00" East 701.10 feet to a 5/8" iron pin with Tru-Line Surveying, Inc. Plastic Cap; thence continuing South 66°52'00" East 32.59 feet to a point on the said East line of the NE1/4 NW1/4; thence South 00°07'58" West 21.72 feet to the point of beginning.

Parcel 3:

* north

A portion of the S1/2 of the SW 1/4 of the SW 1/4 of Section 8, Township 39 South, Range 10 East, of the Willamette Meridian, Klamath County, Oregon, lying Easterly from the East bank of a drain of the Pine Grove Irrigation District and being more particularly described as follows:

Beginning at a point which bears East 304.0 feet from the section corner common to Sections 7, 8, 17 and 18, Township 39 South, Range 10 East, of the Willamette Meridian, Klamath County, Oregon; thence continuing East 1018.0 feet to the Southeasterly corner of said South 1/2 of the SW 1/4 of the SW 1/4 of Section 8; thence North 0°9' East, 669.1 feet; thence North 89°59' West, 1019.7 feet; thence South 669.4 feet, more or less, to the point of beginning.

Parcel 4:

W 1/2 W 1/2 SE 1/4 of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying South and West of the Klamath Falls – Lakeview Highway, EXCEPT one acre ditch in Klamath County, Oregon.