

2013-002480

Klamath County, Oregon



00132396201300024800210214

03/07/2013 09:53:07 AM

Fee: \$147.00

GRANTOR'S NAME/ADDRESS:

Salvatore Labarbera, Personal Representative
Estate of Anthony G. Pierce
P.O. Box 26190
San Jose, CA 95159

BENEFICIARY'S NAME/ADDRESS:

Department of Revenue
955 Center Street NE
Salem, OR 97301-2555

AFTER RECORDING RETURN TO:

Brien F. Hildebrand
Moomaw Mesirov & Godfrey, LLP
P.O. Box 1609
Beaverton, OR 97075-1609

UNTIL REQUESTED OTHERWISE,

SEND ALL TAX STATEMENTS TO:

Salvatore Labarbera, Personal Representative
Estate of Anthony G. Pierce
P.O. Box 26190
San Jose, CA 95159

**TRUST DEED; ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

THE UNDERSIGNED GRANTOR Salvatore Labarbera is the duly appointed Personal Representative of the Estate of Anthony G. Pierce, Klamath County Circuit Court Probate No. 1200800CV (the "Estate"). A true copy of a Letters Testamentary evidencing the appointment of the Personal Representative is attached hereto as Exhibit A. The probate estate includes that certain real property located in Klamath County, Oregon and more particularly described as follows (the "Property"):

See Exhibit B attached hereto and incorporated herein.

Address: 19550 Sprague River Hwy., Sprague River, Oregon 97639
The Property includes fixtures

REFERENCE IS MADE to the Anthony G. Pierce Estate, date of death February 2, 2011, identified in the records of the Oregon Department of Revenue as Oregon Business Identification Number (BIN) 1509215-0. The Oregon Department of Revenue is the "Beneficiary" herein. The Beneficiary has informed Grantor that Beneficiary will grant an extension to the Estate to pay estate tax if Grantor provides collateral and satisfies other conditions set forth in OAR 150-118.225 and in correspondence to Grantor dated November 27, 2012 (the "Correspondence");

THIS TRUST DEED, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the "Trust Deed") is by and between Salvatore Labarbera as the Grantor, Brien F. Hildebrand, Attorney At Law, as the Trustee and the Oregon Department of Revenue as the Beneficiary. Grantor for all purposes related to this Trust Deed acts in his capacity as Personal Representative of the Estate. Grantor hereby grants, bargains, sells and conveys all of Grantor's right, title and interest in the Property to the

(7438.00)

Trustee, in trust, with power of sale and presently assigns, for the benefit of the Beneficiary, the rent, income and profits of the Property to the Trustee and Trustee's successors and assigns upon the terms and conditions set forth herein;

TO HAVE AND TO HOLD as security for payment of estate taxes in accordance with the requirements of the Correspondence, as a condition of an extension of time to pay that has been granted to Grantor by Beneficiary with the Property as collateral for repayment.

Section 1. Purpose. The purpose of this Trust Deed is to provide the Property as collateral for repayment of estate taxes by the estate of Anthony G. Pierce in accordance with the terms set forth in the Correspondence.

This instrument constitutes a financing statement filed as a fixture filing in the official records of Klamath County, Oregon, with respect to any and all fixtures included with the Property and with respect to any goods or other personal property that may now or hereafter become such fixtures.

Section 2. Grantor's Covenants and Warranties.

2.1 Payment. The Estate shall make all payments of principal and interest on its indebtedness to the Oregon Department of Revenue in accordance with the Correspondence (the "Indebtedness").

2.2 Warranty of Title. Grantor warrants that Grantor holds marketable title to the Property pursuant to and in accordance with his authority as Personal Representative of the Estate subject only to those encumbrances identified on Exhibit C to this Trust Deed.

2.3 Use of Property. Grantor covenants and warrants that this Trust Deed is a non-residential trust deed as referenced in ORS 86.770.

2.4 Compliance With Laws. Grantor shall promptly comply with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the real property and shall pay all fees or charges of any kind in connection therewith. Grantor may, in good faith, contest any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Beneficiary's and Trustee's interest in the real property are not jeopardized.

2.5 Preservation of Property. Grantor shall protect, preserve and maintain the Property in good condition and repair, shall promptly perform all repairs and maintenance necessary to preserve the value of the real property, and shall not commit or permit any waste on the real property. Grantor shall promptly complete or restore any improvement that is damaged or destroyed. Grantor shall permit Beneficiary and its agents to enter upon the Property at all reasonable times to inspect the Property.

2.6 Insurance. Grantor shall maintain insurance on any building on the Property against loss or damage by fire and such other hazards as Beneficiary may from

time to time require, with premiums prepaid, with loss payable clauses (without contribution) in favor of and in a form satisfactory to Beneficiary, and with Beneficiary as a named insured in such policies. Grantor shall deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums. All insurance shall be carried with companies approved by Beneficiary and shall be cancelable only upon twenty (20) days' prior written notice to Beneficiary.

In the event of loss, Grantor shall immediately notify Beneficiary, and Beneficiary may make proof of loss if such proof is not made promptly by Grantor. If Beneficiary, by reason of such insurance, receives any money for loss or damage, such amount may, at the option of Beneficiary, either (i) be retained and applied by Beneficiary toward payment of all or part of the indebtedness secured by this Trust Deed, whether due or not, in such order as Beneficiary may determine, without regard to whether the security of Beneficiary is impaired; or (ii) be paid over, wholly or in part, to Grantor upon such conditions as Beneficiary may determine for the repair of buildings or improvements located on the Property.

WARNING: UNLESS GRANTOR PROVIDES BENEFICIARY WITH EVIDENCE OF INSURANCE COVERAGE AS REQUIRED BY THIS TRUST DEED, BENEFICIARY MAY PURCHASE INSURANCE AT GRANTOR'S EXPENSE TO PROTECT BENEFICIARY'S INTEREST. GRANTOR MAY CANCEL INSURANCE OBTAINED BY BENEFICIARY PROVIDED THAT GRANTOR HAS OBTAINED THE INSURANCE COVERAGE REQUIRED BY THIS TRUST DEED. GRANTOR IS RESPONSIBLE FOR THE COST OF ANY INSURANCE COVERAGE PURCHASED BY BENEFICIARY, WHICH COST MAY BE ADDED TO GRANTOR'S LOAN BALANCE. IF IT IS SO ADDED, THE INTEREST RATE ON THE UNDERLYING NOTE WILL APPLY TO IT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE GRANTOR'S COVERAGE LAPSED OR THE DATE GRANTOR FAILED TO PROVIDE PROOF OF COVERAGE. THE COVERAGE BENEFICIARY PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE GRANTOR MIGHT OTHERWISE OBTAIN AND MAY NOT SATISFY ANY NEED FOR PROPERTY COVERAGE OR LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW, IF ANY.

2.7 Taxes and Assessments; Liens and Claims. Grantor shall pay, when due, all taxes and all assessments imposed against the Property and all claims and demands arising from the Grantor's use or occupancy of the Property. Grantor shall not permit any lien prior or equal to Trustee's title to be imposed upon the real property except liens for taxes or assessments assessed but not yet due. Grantor may elect to contest any lien, if Grantor is, in good faith, conducting appropriate proceedings to contest their obligation to pay and for so long as Trustee's interest in the Property is not jeopardized.

2.8 Eminent Domain. If the Property, or any part thereof or interest therein, should be taken or damaged by reason of any public improvement or condemnation proceeding, or if Grantor receives notice or other information regarding a condemnation or similar type proceeding, Grantor shall immediately notify Beneficiary.

Beneficiary shall be entitled to all compensation, awards and other payments of relief related to condemnation and shall be entitled, at its sole option, to commence, appear in and prosecute, in its own name, any such action or proceeding. Beneficiary shall also be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action, and proceeds awarded to Grantor (hereinafter "Condemnation Proceeds") are hereby assigned to Beneficiary.

Beneficiary shall have the option, to either (i) apply such Condemnation Proceeds, after deducting therefrom all costs and expenses, upon all or part of the indebtedness secured by this Trust Deed in such order as Beneficiary may determine, without regard to whether the security of Beneficiary is impaired; or (ii) apply all of such Condemnation Proceeds, after deducting all of Beneficiary's costs and expenses, to the restoration of the Property upon such conditions as Beneficiary may determine.

Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this paragraph as a taking by condemnation.

2.9 Assignment of Issues and Profits. Grantor does hereby assign, transfer and set over unto Beneficiary, as further security for the indebtedness and covenants secured hereby, all issues, profits, rentals and deposits which may be received or contracted for under any existing or future leases of the real property encumbered hereby or any portion thereof, all of Grantor's present and future interest in existing and future leases, together with full power and authority to demand, sue for and collect the same in the name of the Grantor, or in Beneficiary's own name, and to take possession of and manage the real property, or to cause a receiver to be appointed for such purpose, and apply the income therefrom, after the costs of collection and management, to the reduction of the indebtedness secured hereby. However, the right to collection and management shall not apply so long as Grantor is not in default under this Trust Deed.

2.10 Grantor shall at its sole cost and expense, appear in and defend any action or proceeding purporting to affect the rights or powers of the Trustee or Beneficiary under this Trust Deed.

Section 3. Events of Default. Each of the following constitutes an event of default:

3.1 Nonpayment. Failure of Grantor to make any payment on the Indebtedness within thirty (30) days after it is due, pursuant to the terms of the correspondence.

3.2 Breach of Other Covenant. Failure of Grantor to perform any obligation, other than payment, contained in this Trust Deed within thirty (30) days after notice from Beneficiary or Beneficiary's representative specifying the nature of the default or, if the default cannot be cured within thirty (30) days, failure within such time

to commence and pursue, with reasonable diligence, curative action.

3.3 Bankruptcy. The occurrence of any of the following with respect to Grantor or the then-owner of the Property: (a) the appointment of a receiver, liquidator, or trustee for any such party or any of its properties; (b) adjudication as a bankrupt or insolvent; (c) the filing of any petition by or against any such party under any state or federal bankruptcy, reorganization, moratorium, or insolvency law; (d) the institution of any proceeding for dissolution or liquidation; (e) the inability to pay debts when due; (f) any general assignment for the benefit of creditors; or (g) abandonment of the Property.

3.4 Transfer. Any sale, gift, conveyance, contract for conveyance, transfer, assignment, encumbrance, pledge, or grant of a security interest in all or any part of the Property, or any interest therein, either voluntarily, involuntarily, or by the operation of law (a "Transfer"), without Beneficiary's prior written consent, will constitute an event of default.

Notwithstanding the foregoing provision identifying a "transfer" as a default, Beneficiary acknowledges that a transfer by Grantor in fulfillment of his duties as Personal Representative shall not constitute a default on this Trust Deed.

Section 4. Remedies In Event of Default. Upon the occurrence of an event of default, the Beneficiary or Trustee, as the case may be, may exercise any of the following rights and remedies, in addition to any other remedies which may be available at law, in equity, or otherwise.

4.1 Acceleration. Beneficiary may declare all sums secured by this Trust Deed to be immediately due and payable.

4.2 Possession. Beneficiary may, through a receiver or as lender-in-possession, take possession of all or any part of the real property. Grantor shall peaceably surrender the same.

4.3 Rents and Revenues. Beneficiary may revoke Grantor's right to collect the rents and revenues from the real property and may, either itself or through a receiver, collect the same. To facilitate collection, Beneficiary may notify Grantor's tenants to pay rents directly to it. Beneficiary shall not be deemed in possession of the Property solely by reason of the exercise of the rights contained in this paragraph.

4.4 Foreclosure. Beneficiary may obtain a decree foreclosing Grantor's interest in all or any part of the real property.

4.5 Power of Sale. Beneficiary may direct Trustee, and Trustee shall be empowered, to foreclose the real property by advertisement and exercise of the power of sale under applicable law.

4.6 Sale of Collateral; Bid At Public Sale. In exercising its remedies,

Beneficiary shall be free to sell all or any part of the Property, together or separately, or to sell certain portions of the Property and refrain from selling other portions. Beneficiary shall be entitled to bid at any public sale.

4.7 Cumulative Remedies. Election to pursue one remedy shall not exclude any other remedy and, unless the context otherwise requires, all remedies under this Trust Deed are cumulative and not exclusive. An election to cure shall neither prejudice the right to declare a default nor constitute a waiver of the breached term or any remedy provided herein.

Section 5. Receiver, Trustee or Beneficiary In Possession. Upon taking possession of all or any part of the Property, a receiver or the Trustee or Beneficiary or Beneficiary's representative may:

5.1 Management. Use, operate, manage, control and conduct business on the Property and make expenditures for such purposes and maintenance and improvements as it deems necessary.

5.2 Rents and Revenues. Collect all rents, revenues, income, issues and profits from the Property and apply such sums to the expenses of use, operation, management, maintenance and improvements.

Section 6. Application of Proceeds. All proceeds realized from the exercise of the rights and remedies under this Trust Deed shall be applied as follows:

6.1 Costs and Expenses. To the expenses of the sale, including the compensation of the Trustee; **6.2 Indebtedness.** To the obligation secured by this Trust Deed;

6.3 Surplus. To all persons with recorded liens subsequent to the interest of the Trustee in the Trust Deed, as their interests may appear in their order of their priority;

6.4 The surplus, if any, to the Grantor, or to the successor in interest of the Grantor entitled to such surplus.

Section 7. General Provisions.

7.1 Reconveyance Upon Payment. Upon written request of Beneficiary stating that all sums secured hereby have been paid, surrender of this Trust Deed and the cancellation of the Indebtedness and payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder.

7.2 Substitute Trustee. In the event of the 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 of the powers and duties of the prior trustee.

7.3 Trust Deed Binding Upon Successors and Assigns. This Trust Deed shall be binding upon and inure to the benefit of the successors and assigns of Grantor, Trustee and Beneficiary.

7.4 Notice. Any notice under this Trust Deed shall be in writing and shall be effective when either delivered in person or deposited as registered or certified mail, postage prepaid, addressed as follows:

TO GRANTOR: Salvatore Labarbera, Personal Representative
Estate of Anthony G. Pierce
P.O. Box 26190
San Jose, CA 95159

TO BENEFICIARY: Department of Revenue
955 Center Street NE
Salem, OR 97301-2555
Attn: Estate Tax Unit

provided, however, that any notice pursuant to exercise of Trustee's power of sale in the event of default shall be sufficient if such notice complies with all provisions of Oregon law applicable to the exercise of powers of sale. Any party may, by notice to the others, designate a different address.

7.5 Costs and Attorney Fees. In case suit or action is instituted to collect the Indebtedness the defaulting party shall pay such additional sum as the court may adjudge reasonable as attorney fees in such arbitration, suit or action, including all such costs and reasonable attorney incurred on appeal taken therefrom to any appellate court or in collecting or enforcing any judgment obtained in such suit or action. Any obligation of Beneficiary to pay Grantor's attorney fees, as may be imposed by law, is subject to and within the limitations of Article XI, Section 7 of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 through 30.300). In case of default, the Grantor further promises to pay such necessary expenses as may be incurred in making collecting delinquent payments or curing any other default, including reasonable attorney fees, even if no suit or action is instituted.

7.6 Beneficiary's Right To Cure. If Grantor fails to perform any obligation under this Trust Deed, Beneficiary may, without notice, take any steps necessary to remedy such failure. Grantor shall reimburse Beneficiary for amounts expended in so doing, on demand, and all such expenditures shall be secured by this Trust Deed.

7.7 Time of the Essence. Time is of the essence of this Trust Deed.

7.8 Severability. If any provision of this Trust Deed is held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision, and this Trust Deed shall be construed as if such invalid, illegal or

unenforceable provisions had not been contained herein.


7.9 Modification. This Trust Deed may not be modified except in writing attached to this Trust Deed, dated and signed by Beneficiary and Grantor.

7.10 Trustee's Authority. At any time, and from time to time upon written request of Beneficiary, without affecting the liability of any person for payment of the indebtedness, Trustee may (i) consent to the making of any map or plat of the real property; (ii) join in granting any easement or creating any restriction thereon; (iii) join in any subordination or other agreement affecting this Trust Deed of the lien or charge thereon; or (iv) reconvey, without warranty, all or any part of the real property.

7.11 Applicable Law. This Trust Deed shall be governed by the laws of the State of Oregon Without regard to the principles of conflicts of law. In no event will this section 7.11 be construed as a waiver by Beneficiary of any defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendments to the U.S. Constitution, or otherwise.

IN WITNESS WHEREOF, Grantor has executed this Trust Deed this 12th day of January, 2013.

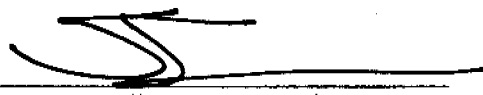
GRANTOR:


Salvatore Labarbera, Personal
Representative, Estate of
Anthony G. Pierce, Klamath
County Circuit Court Probate
No. 1200800CV

STATE OF CALIFORNIA, County of San Clara ss.

PERSONALLY APPEARED Salvatore Labarbera, in his capacity as Personal Representative and Grantor and acknowledged said instrument to be his voluntary act and deed this 12 day of February, 2013.

BEFORE ME:


Notary Public for California

NOTARY ATTACHMENT TO
TRUST DEED; ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING

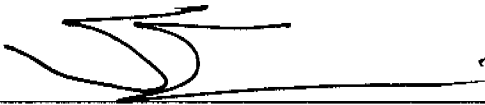
STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CLARA)

PERSONALLY APPEARED Salvatore LaBarbera, in his capacity as Personal Representative and Grantor and acknowledged said instrument to be his voluntary act and deed this 12TH day of February, 2013.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.





Stuart G. Schmidt, Notary Public

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address): (408) 356-3000 STUART G. SCHMIDT, ESQ. (190079) SWEENEY MASON, WILSON & BOSOMWORTH 983 University Avenue, Suite 104C Los Gatos, CA 95032-7637 ATTORNEY FOR (Name): Petitioner, Salvator P. La Barbera	TELEPHONE AND FAX NOS.: FOR COURT USE ONLY <div style="text-align: center; font-size: 24pt; font-weight: bold;">FILED</div> <div style="text-align: center; font-size: 18pt; font-weight: bold;">2011 MAR 30 A 10:22</div> <div style="text-align: center;"> David H. Yamasaki, Clerk of the Superior Court County of Santa Clara, California By: <u>R. Delgado</u> Deputy Clerk </div>
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Santa Clara STREET ADDRESS: 191 North First Street MAILING ADDRESS: CITY AND ZIP CODE: San Jose, CA 95113 BRANCH NAME:	
ESTATE OF (Name): Anthony G. Pierce <div style="text-align: right;">DECEDENT</div>	
<div style="text-align: center; font-weight: bold;">LETTERS</div> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> TESTAMENTARY <input type="checkbox"/> OF ADMINISTRATION WITH WILL ANNEXED </div> <div> <input type="checkbox"/> OF ADMINISTRATION <input type="checkbox"/> SPECIAL ADMINISTRATION </div> </div>	
CASE NUMBER: <div style="font-size: 18pt; font-weight: bold;">1-11-PR-168380</div>	

LETTERS


1. ☒ The last will of the decedent named above having been proved, the court appoints (name): Salvator P. La Barbera
 - a. ☒ executor.
 - b. ☐ administrator with will annexed.
2. ☐ The court appoints (name):
 - a. ☐ administrator of the decedent's estate.
 - b. ☐ special administrator of decedent's estate
 - (1) ☐ with the special powers specified in the Order for Probate.
 - (2) ☐ with the powers of a general administrator.
 - (3) ☐ letters will expire on (date):
3. ☒ The personal representative is authorized to administer the estate under the Independent Administration of Estates Act ☒ with full authority ☐ with limited authority (no authority, without court supervision, to (1) sell or exchange real property or (2) grant an option to purchase real property or (3) borrow money with the loan secured by an encumbrance upon real property).
4. ☐ The personal representative is not authorized to take possession of money or any other property without a specific court order.

AFFIRMATION

1. ☐ PUBLIC ADMINISTRATOR: No affirmation required (Prob. Code, § 7621(c)).
2. ☒ INDIVIDUAL: I solemnly affirm that I will perform the duties of personal representative according to law.
3. ☐ INSTITUTIONAL FIDUCIARY (name):

I solemnly affirm that the institution will perform the duties of personal representative according to law. I make this affirmation for myself as an individual and on behalf of the institution as an officer.
 (Name and title):

4. Executed on (date): February 11, 2011
 at (place): Los Gatos, California.

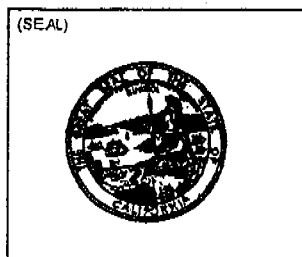

 (SIGNATURE)

Salvator P. La Barbera

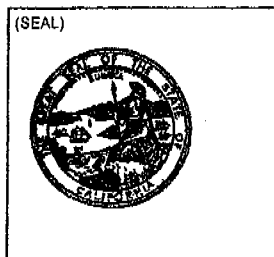
CERTIFICATION

I certify that this document is a correct copy of the original on file in my office and the letters issued the personal representative appointed above have not been revoked, annulled, or set aside, and are still in full force and effect.

WITNESS, clerk of the court, with seal of the court affixed.



Date: MAR 31 2011
 Clerk, by DAVID H. YAMASAKI
 Chief Executive Officer/Clerk
R. Delgado
 (DEPUTY)
 R. Delgado



Date: MAR 31 2011
 Clerk, by DAVID H. YAMASAKI
 Chief Executive Officer/Clerk
R. Delgado
 (DEPUTY)
 R. Delgado

EXHIBIT B
LEGAL DESCRIPTION

PARCEL 1:

The NE1/4 of Section 19 and the SE1/4 of Section 18, all in Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

The NW1/4 of Section 20, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3:

The SW1/4 of the SW1/4 of Section 17, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 4:

The SE1/4 SW1/4 and W1/2 SW1/4 SE1/4 of Section 17, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 5:

The E1/2 of the SW1/4 and Government Lots 3 and 4, Section 18, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 6:

Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Section 31: S1/2 S1/2 N1/2 NE1/4, S1/2 NE1/4, SE1/4 and that portion of the S1/2 N1/2 SE1/4 NW1/4, S1/2 SE1/4 NW1/4, N1/2 SW1/4 and the SE1/4 SW1/4 lying East of the Sprague River.

Section 32: That portion of the S1/2 SW1/4 lying West of the Sprague River.

Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Section 5: Government Lot 4, SW1/4 NW1/4 and that portion of Lot 3 and the SE1/4 NW1/4 lying West of Sprague River.

Section 6: Government Lots 1 and 2, S1/2 NE1/4

(Legal Description Continued)

PARCEL 7:

Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Section 6: That portion of Government Lot 3, SE1/4 NW1/4 and the NE1/4 SW1/4 lying East of the Sprague River.

PARCEL 8:

The N1/2 NW1/4 SW1/4 of Section 16, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 9:

The N1/2 SE1/4 SW1/4 of Section 16, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 10:

The W1/2 NE1/4 SW1/4 of Section 16, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 11:

The W1/2 NW1/4 NE1/4 of Section 21, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING an easement 60 feet wide on the North side for access

PARCEL 12:

The NE1/4 SW1/4 of Section 21, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 13:

The SE1/4 SE1/4 and the E1/2 SW1/4 SE1/4 of Section 17, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 14:

The NE1/4 of Section 20, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

(Legal Description Continued)

PARCEL 15:

The NW1/4 of Section 21, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 17:

The N1/2 N1/2 of Section 32, Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying West of the Sprague River Highway.

EXHIBIT C

1. Taxes for the fiscal year 2012-2013, a lien now due and payable.

Account No:	3510-00000-00400-000	Key No:	256298
Amount:	\$280.73	Code No:	008
Account No:	3510-00000-00700-000	Key No:	256323
Amount:	\$370.07	Code No:	008
Account No:	3510-00000-01700-000	Key No:	256788
Amount:	\$800.40	Code No:	008
Account No:	3510-00000-01800-000	Key No:	256804
Amount:	\$9.20	Code No:	008
Account No:	3510-00000-02100-000	Key No:	256813
Amount:	\$14.05	Code No:	008
Account No:	3510-00000-02200-000	Key No:	256822
Amount:	\$164.27	Code No:	008
Account No:	3510-00000-02300-000	Key No:	256840
Amount:	\$219.83	Code No:	008
Account No:	3510-00000-02400-000	Key No:	256859
Amount:	\$78.58	Code No:	008
Account No:	3510-00000-02800-000	Key No:	256895
Amount:	\$335.18	Code No:	008
Account No:	3510-01600-00300-000	Key No:	256065
Amount:	\$22.45	Code No:	008
Account No:	3510-01600-00400-000	Key No:	256056
Amount:	\$33.25	Code No:	008
Account No:	3510-01600-00900-000	Key No:	256010
Amount:	\$21.79	Code No:	008
Account No:	3510-01700-02000-000	Key No:	256261
Amount:	\$82.71	Code No:	008
Account No:	3510-01700-02100-000	Key No:	256289
Amount:	\$99.22	Code No:	008
Account No:	3510-01700-02200-000	Key No:	256270
Amount:	\$59.80	Code No:	008
Account No:	3510-01700-02300-000	Key No:	256252
Amount:	\$164.09	Code No:	008

(Exception 1 Continued)

Account No:	3510-01900-00100-000	Key No:	261148
Amount:	\$1,135.77	Code No:	008
Account No:	3510-01900-01900-U01	Key No:	261344
Amount:	\$105.20	Code No:	008
Account No:	3510-01900-01900-U02	Key No:	261353
Amount:	\$280.28	Code No:	008
Account No:	3510-01900-01900-U05	Key No:	261380
Amount:	\$34.99	Code No:	008
Account No:	3510-02000-00100-000	Key No:	256387
Amount:	\$176.41	Code No:	008
Account No:	3510-02000-00200-000	Key No:	256378
Amount:	\$138.88	Code No:	008
Account No:	3510-02000-00300-000	Key No:	256341
Amount:	\$260.88	Code No:	008
Account No:	3510-02100-00200-000	Key No:	261424
Amount:	\$42.57	Code No:	008
Account No:	3510-02100-00300-000	Key No:	261442
Amount:	\$329.62	Code No:	008
Account No:	3510-02100-00600-000	Key No:	261460
Amount:	\$168.52	Code No:	008
Account No:	3610-00000-01000-000	Key No:	324223
Amount:	\$236.61	Code No:	008
Account No:	3610-00600-00100-000	Key No:	324232
Amount:	\$325.13	Code No:	008
Account No:	3610-00600-00200-000	Key No:	324278
Amount:	\$91.44	Code No:	008

2. The assessment roll and the tax roll disclose that the premises herein described have been specially assessed as Farm Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied; in addition thereto a penalty may be levied if notice of disqualification is not timely given.
3. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
4. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Grazing Fire Patrol.

5. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Timber Fire Patrol.
6. Rights of fishing, navigation, commerce, flood control, propagation of anadromous fish, and recreation, and other rights of the public, Indian tribes or governmental bodies in and to the waters of the within described streams, rivers, lakes or other water bodies; and any adverse claim based on the assertion (a) that any portion of the subject land has been removed from or brought within the subject land's boundaries by the process of accretion or reliction or any change in the location of such water bodies; (b) that any portion of the subject land has been created by artificial means or has accreted to such portions so created, or based on the provisions of ORS 274.905 through 274.940; or (c) that any portion of the subject land is now or at any time has been below the ordinary high water line of such water bodies. The water bodies to which this exception pertains are: Sprague River
7. Covenants, conditions and restrictions, but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin, imposed by instrument, subject to the terms and provisions thereof, recorded in Book 294, page 485, Deed Records of Klamath County, Oregon.
Affects: Parcels 8, 9 and 10
8. Reservations and restrictions as contained in Patent and Land Status Report;
Recorded: September 4, 1958
Volume: 303, page 197, Deed Records of Klamath County, Oregon.
Affects: Parcel 7
9. Reservations and restrictions as contained in Patent;
Recorded: September 4, 1958
Volume: 303, page 219, Deed Records of Klamath County, Oregon.
Affects: Parcel 7
10. Reservations and restrictions as contained in Land Status Report;
Recorded: September 18, 1958
Volume: 303, page 528, Deed Records of Klamath County, Oregon.
Affects: Parcel 7
11. Right of Way to Klamath County for Brayhill – Sprague River Road, approved by Jos M. Dixon, First Assistant Secretary on April 27, 1932, pursuant to the Act of March 3, 1901. (31 Stat. L. 1058 – 1084), as disclosed by Land Status Report recorded in Volume 305, page 344, Deed Records of Klamath County, Oregon
Affects: Parcel 16
12. The above described property is subject to all other existing easements for public roads and highways, for public utilities, and for railroads and pipe lines and for any other easements or rights – of – way of record; and there is hereby reserved any and all roads, trails, telephone lines, etc., actually constructed by the United States, with the rights of the United States to maintain, operate or improve the same so long as needed or used for or by the United States. (Dept. Instr., January 13, 1916, 44 L.D. 513), as disclosed by Land Status Report recorded in Volume 305, page 344, Deed Records of Klamath County, Oregon.
13. Reservations and restrictions, subject to the terms and provisions thereof, as set forth in Land Status Report recorded November 24, 1958 in Volume 306, page 582, and recorded November 24, 1958 in Volume 306, page 606 and recorded December 22, 1958 in Volume 308, page 115 and recorded January 12, 1959 in Volume 308, page 539, and recorded September 10, 1956 in Volume 303, page 528, all in Deed Records of Klamath County, Oregon
Affects: A portion of Parcels 6 and 7

14. Reservations as contained in Land Status Report recorded in Volume 306, page 596, Deed Records of Klamath County, Oregon, to wit:

"Right of way to Klamath County for Braymill - Sprague River Road, approved by Jos. M. Dixon, Assistant Secretary, Department of the Interior, on April 27, 1932, pursuant to the provisions of the Act of March 3, 1901 (31 Stat. L. 1058-1084) and Departmental Regulations thereunder.

The above described property is subject to all other existing easements for public roads and highways, for public utilities and for railroads and pipe lines and for any other easements or rights of way of record; and there is hereby reserved any and all roads, trails, telephone lines, etc., actually constructed by the United States, with the right of the United States to maintain, operate or improve the same, so long as needed or used for or by the United States. (Dept. Instr., January 13, 1916 44 L. D. 513)"
Affects: Parcel 17

15. Reservations and restrictions as contained in Land Status Report;
Recorded: November 24, 1958
Volume: 306, page 606, Deed Records of Klamath County, Oregon.
Affects: Parcel 7
16. Reservations and restrictions as contained in Patent;
Recorded: December 22, 1958
Volume: 308, page 109, Deed Records of Klamath County, Oregon.
Affects: Parcel 7
17. Reservations and restrictions as contained in Land Status Report;
Recorded: December 22, 1958
Volume: 308, page 115, Deed Records of Klamath County, Oregon.
Affects: Parcel 6
18. Reservations and restrictions as contained in Patent;
Recorded: January 12, 1959
Volume: 308, page 457, Deed Records of Klamath County, Oregon.
Affects: Parcel 6
19. Reservations and restrictions as contained in Indian Deed;
Recorded: January 12, 1959
Volume: 308, page 459, Deed Records of Klamath County, Oregon.
Affects: Parcel 6
20. Reservations and restrictions as contained in Land Status Report;
Recorded: January 12, 1959
Volume: 308, page 463, Deed Records of Klamath County, Oregon.
Affects: Parcel 6
21. Reservations and restrictions as contained in Patent;
Recorded: January 13, 1959
Volume: 308, page 535, Deed Records of Klamath County, Oregon.
Affects: Parcel 6
22. Reservations and restrictions as contained in Land Status Report;
Recorded: January 13, 1959
Volume: 308, page 539, Deed Records of Klamath County, Oregon.
Affects: Parcel 6

23. An easement created by instrument, subject to the terms and provisions thereof,
Recorded: April 24, 1959
Volume: 312, page 47, Deed Records of Klamath County, Oregon
In favor of: California Oregon Power Company
For: Transmission and distribution of electricity
Affects: A portion of Parcel 1
24. An easement created by instrument, subject to the terms and provisions thereof,
Dated: May 8, 1959
Recorded: May 12, 1959
Volume: 312, page 363, Deed Records of Klamath County, Oregon
In favor of: The California Oregon Power Company
For: 100' right of way
Affects: Parcel 5
25. An easement created by instrument, subject to the terms and provisions thereof,
Recorded: May 16, 1959
Volume: 312, page 482, Deed Records of Klamath County, Oregon
In favor of: California Oregon Power Company
For: Transmission and distribution of electricity
26. An easement created by instrument, subject to the terms and provisions thereof,
Dated: March 15, 1960
Recorded: March 21, 1960
Volume: 319, page 569, Deed Records of Klamath County, Oregon
In favor of: Pacific Gas & Transmission Company
For: 30' to the rights and 70' to the left
Affects: Parcel 6
27. Right of Way Agreement, subject to the terms and provisions thereof, for gas transmission lines on location thereof, recorded April 19, 1960 in Volume 320, page 367 and recorded September 21, 1961 in Volume 332, page 346 and recorded September 25, 1961 in Volume 332, page 456, all in Deed Records of Klamath County, Oregon
- Notice of Location, subject to the terms and provisions thereof;
Recorded: January 17, 1979
Volume: M79, page 1316 and 1325, Microfilm Records of Klamath County, Oregon.
Affects: A portion of Parcel 6
28. An easement created by instrument, subject to the terms and provisions thereof,
Recorded: July 25, 1961
Volume: 331, page 275, Deed Records of Klamath County, Oregon
In favor of: California Oregon Power Company
For: Transmission and distribution of electricity
Affects: A portion of Parcels 1, 12 and 15

29. Reservations as contained in Deed Records as contained in deed recorded in Volume 343, page 542, Deed Records of Klamath County, Oregon, as follows:

"Reserving unto the Grantor, an easement to the right of ingress and egress to and from that certain cemetery located on the above described land, said right of ingress and egress to be exercised on existing roads leading to and from said cemetery; further, by accepting and recording this deed, the grantees covenant to and with the grantor to protect and preserve the existing graves therein."

Affects: The NE1/4 and W1/2 of NW1/4 of Section 24, Township 35 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; the S1/2 of S1/2 of Section 17; Government Lots 1, 2, 3 and 4, the E1/2 of W1/2, and NE1/4 of Section 19; the NE1/4, N1/2 and N1/2 of SE1/4 of Section 10, the NW1/4, and the N1/2 of SW1/4 of Section 24, all in Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

30. An easement created by instrument, subject to the terms and provisions thereof,

Recorded: October 27, 1965
Volume: M65, page 3184, Microfilm Records of Klamath County, Oregon
In favor of: Pacific Power & Light Company
For: Transmission and distribution of electricity
Affects: A portion of Parcel 1

31. An easement created by instrument, subject to the terms and provisions thereof,

Dated: June 17, 1966
Recorded: July 1, 1966
Volume: M66, page 6694, Microfilm Records of Klamath County, Oregon
In favor of: Pacific Power & Light Company
Affects: A portion of Parcel 6

32. An easement created by instrument, subject to the terms and provisions thereof,

Dated: July 5, 1966
Recorded: July 21, 1966
Volume: M66, page 7434, Microfilm Records of Klamath County, Oregon
In favor of: Pacific Power & Light Company
Affects: A portion of Parcel 6

33. An easement created by instrument, subject to the terms and provisions thereof,

Dated: July 15, 1970
Recorded: September 4, 1970
Volume: M70, page 7840, Microfilm Records of Klamath County, Oregon
By and between: Allen L. Foreman and Earla E. and Frances C. Hurlbutt
For: Irrigation pumps and well
Affects: A portion of Parcel 15

34. Reservations and restriction as contained in plat dedication recorded February 12, 1971 in Volume M71, page 1308, Microfilm Records of Klamath County, Oregon, wherein Clifford J. Emmich, et ux is grantor and James M. Boyle, et ux in grantee, to wit:

"This conveyance is made subject to: reservations and restrictions of record, easements and right of way of record, and those apparent on the land, and Grantor reserved for Grantee and Grantee's successors, a 60' wide easement for joint user roadway and all other roadway purposes along Northerly boundary of Section 20, and Northerly and Westerly boundary North of Sprague River Highway of Section 19."

35. An easement created by instrument, subject to the terms and provisions thereof,
Dated: March 7, 1971
Recorded: March 19, 1971
Volume: M71, page 2339, Microfilm Records of Klamath County, Oregon
For: 60' right of way
Affects: Parcel 4
36. Agreement for easement, subject to the terms and provisions thereof,
Dated: August 30, 1977
Recorded: September 12, 1977
Volume: M77, page 16906, Microfilm Records of Klamath County, Oregon.
First Party: James M. Boyle and Ruth Boyle
Second Party: Darrol Van Auker
Affects: Parcel 3
37. An easement created by instrument, subject to the terms and provisions thereof,
Dated: September 20, 1970
Recorded: September 29, 1977
Volume: M77, page 18317, Microfilm Records of Klamath County, Oregon
For: A 60' wide easement for joint user roadway
Affects: A portion of Parcel 14
38. An easement created by instrument, subject to the terms and provisions thereof,
Dated: September 20, 1971
Recorded: November 23, 1977
Volume: M77, page 22802, Microfilm Records of Klamath County, Oregon
For: A 60' wide strip of land lying South of the adjoining and parallel to the Northerly boundary
Affects: Parcel 10
39. An easement created by instrument, subject to the terms and provisions thereof,
Dated: June 18, 1979
Recorded: June 20, 1979
Volume: M79, page 14577, Microfilm Records of Klamath County, Oregon
In favor of: Gerald E. Gertner, et ux
For: A perpetual non-exclusive easement 15 feet in width for ingress and egress to the irrigation pipe and pump
Affects: The North 15 feet of the S1/2 SW1/4 of Section 32, Township 35 South, Range 10 East of the Willamette Meridian, West of Sprague River
40. An easement created by instrument, subject to the terms and provisions thereof,
Dated: May 21, 1980
Recorded: May 27, 1980
Volume: M80, page 9602, Microfilm Records of Klamath County, Oregon
By and between: Bobby Stewart and Edward J. Paul
For: A 30' wide ingress and egress
Affects: Parcel 9
41. An easement created by instrument, subject to the terms and provisions thereof,
Dated: December 4, 1980
Recorded: December 16, 1980
Volume: M80, page 24306, Microfilm Records of Klamath County, Oregon
For: A 60' wide easement for joint user roadway
Affects: Parcel 2 and a portion of Parcel 14

42. An easement created by instrument, subject to the terms and provisions thereof,
Dated: April 25, 1984
Recorded: August 2, 1984
Volume: M84, page 13183, Microfilm Records of Klamath County, Oregon
In favor of: Telephone Utilities of Eastern Oregon Inc.
For: The right to bury and maintain underground telephone facilities
Affects: Parcel 17
43. An easement created by instrument, subject to the terms and provisions thereof,
Dated: March 14, 1984
Recorded: August 3, 1984
Volume: M84, page 13315, Microfilm Records of Klamath County, Oregon
In favor of: Telephone Utilities of Eastern Oregon, Inc.
For: Underground electric facilities
Affects: A portion of Parcel 6
44. An easement created by instrument, subject to the terms and provisions thereof,
Dated: March 14, 1984
Recorded: January 8, 1985
Volume: M85, page 325, Microfilm Records of Klamath County, Oregon
In favor of: Telephone Utilities of Eastern Oregon, Inc.
For: Underground electric facilities
Affects: A portion of Parcel 6
45. An easement created by instrument, subject to the terms and provisions thereof,
Dated: May 29, 1996
Recorded: June 20, 1996
Volume: M96, page 18306, Microfilm Records of Klamath County, Oregon
In favor of: Robert Davis Underwood
For: The Northerly 30 feet and the Westerly 30 feet for ingress and egress
Affects: Parcel 17
46. Lack of insurable right of access to and from the land.
47. Due probate and administration of the Estate of Anthony George Pierce, deceased, which proceedings are pending in the Circuit Court for Klamath County. Salvatore Peter LaBarbera was appointed as personal representative.
Probate No: 1200800CV
Attorney for Estate: Michael P. Rudd

END OF EXCEPTIONS

NOTE A: Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.