

OT 08-17-94P03:52 RCVD TRUST DEED Vol. m94 Page 25561

THIS TRUST DEED, made this 16th day of August, 1994, between
MICHAEL S. SULLIVAN and ~~DEBORAH A. SULLIVAN~~

as Grantor, DONALD R. CRANE, Attorney at Law, as Trustee, and
JUNE HILL, Conservator of the Estate of Thomas S. Hill
as Beneficiary.

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

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, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

~~sum of \$15,000 plus interest at the rate of 9% per annum from February 1, 1993, plus costs~~

The date of maturity of the debt secured by this instrument is the date, stated above, upon which the indebtedness is to be paid. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, or, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed 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 said trust, grantor agrees: (a) to repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good and workmanlike manner, any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all local laws, ordinances, regulations, covenants, conditions and restrictions affecting said 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 offices or searching agencies as may be deemed desirable by the beneficiary.
4. To provide and continuously maintain insurance on the building, now or hereafter erected on the said premises 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 \$_____ written in companies acceptable to the beneficiary, with loss payable to the latter; all policies shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance, he shall deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said 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 to the sums secured hereby and in such order as beneficiary may determine or at option of beneficiary the entire amount so collected, of 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 said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before the delivery of the same to the beneficiary; if such 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 payments, 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 hereinafter described, as well as the grantor, shall be bound to the satisfaction of the lien and amount of the debt and the obligations 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, well as the costs and expenses of the trustee incurred in connection with or in enforcing this obligation and 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 and all suits, actions or proceedings for payment of all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees, the amount of attorney's 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's fees on such appeal.
- It is mutually agreed that:**
8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right to sue and request payment for all or any portion of the monies payable as compensation for such taking, which shall be paid to the amount necessary 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, then in the trial and appellate courts, necessarily paid or incurred by beneficiary, and the balance of the monies so received shall be paid to the beneficiary 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. (1) In the event of a request for payment of the above without affecting the liability of any person for the payment of the indebtedness herein secured, (a) consent to the making of any map or plat of said 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 or by a receiver to be appointed by a court, and without regard to the adequacy of security, the indebtedness hereby secured, enter upon and take possession of said 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, to the indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of said 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 hereby or in his 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 an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by judicial sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity. In the event the beneficiary elects the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real 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 cause to be foreclosed this trust deed in the manner provided in ORS 86.735 and 86.795.

13. After this 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 other person so privileged by ORS 87.673, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by this mortgage, the person effecting the cure by tendering 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 mortgage instrument. If the default or defaults consist of failure to pay, or defaults, the person effecting the cure shall pay to the attorney the sums 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

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 said sale has been postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at the time and place designated in the notice of sale, at the time of sale. Trustee shall deliver to the purchaser its deed of conveyance for the property sold, the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the facts therein stated. No person, excluding the trustee, but including the grantor and beneficiary, shall be permitted to attend the sale.

15. When trustee or trustees may purchase the real estate, 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 his 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, and the recording of such instrument 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 a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.535.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a)* primarily for grantor's personal, family or household purposes (see Important Notice below),
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

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, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Michael S. Sullivan
MICHAEL S. SULLIVAN

STATE OF OREGON,
County of Klamath

SS.

This instrument was acknowledged before me on

August 16, 1994, by
Michael S. Sullivan

STATE OF OREGON,
County of

SS.

This instrument was acknowledged before me on
19, by

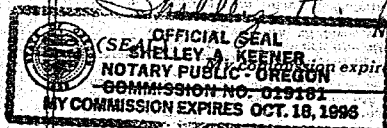
X

X

Notary Public for Oregon

My commission expires:

(SEAL)



REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____, 19____

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(FORM No. 881)

STEVENS-NESS, LAW PUBL. CO., PORTLAND, ORE.

MICHAEL S. SULLIVAN

Grantor
JUNE HILL, Conservator of the

Estate of Thomas S. Hill

Beneficiary

AFTER RECORDING RETURN TO

Donald R. Crane
635 Main Street
Klamath Falls, OR 97601

STATE OF OREGON,
County of

SS.

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____ Deputy

EXHIBIT "A"

PARCEL 1:

A parcel of land situated in the SE 1/4 SE 1/4, in Lot 5 and in Lot 6, all being in Section 27, Township 40 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Beginning at a point where the South line of said Section 27 intersects the Westerly right of way line of the Burlington Northern Railroad, from which the Southeast corner of said Section 27 bears South 89 degrees 38' 24" East, 1097.43 feet; thence North 28 degrees 45' 24" West along said right of way line, 1029.75 feet; thence South 61 degrees 14' 36" West, 50.00 feet; thence North 28 degrees 45' 24" West, 653.60 feet; thence along the arc of a 5629.65 foot radius curve to the left (delta equals 01 degrees 10' 05"), 114.77 feet to the South line of a drainage easement; thence South 57 degrees 42' West along the South line of said drainage easement, 273.64 feet, more or less, to a point on the mean high water line of the left bank of Lost River; thence Southeast along said mean high water line to a point on the South line of said Section 27; thence South 89 degrees 38' 24" East, along said South line, 751.73 feet, more or less, to the point of beginning.

PARCEL 2:

All that portion of Lot 8 of Section 34, Township 40 South, Range 10 East of the Willamette Meridian, lying East of Lost River and West of the Great Northern Railroad right of way, in the County of Klamath, State of Oregon.

CODE 18 MAP 4010-2700 TL 600
CODE 18 MAP 4010-3400 TL 200

STATE OF OREGON: COUNTY OF KLAMATH. ss.

Filed for record at request of Anders Title Co. the 21st day
of Aug. A.D. 19 92 at 10:22 o'clock A. M., and duly recorded in Vol. M92
of Deeds on Page 19022
FEE \$35.00
Evelyn Biehn County Clerk
By Edmund C. Nelson

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Donald R. Crane the 17th day
of Aug A.D. 19 94 at 3:52 o'clock P. M., and duly recorded in Vol. M94
of Mortgages on Page 25561
FEE \$20.00
Evelyn Biehn County Clerk
By Charles M. Nelson