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TRUST DEED

Reliable Credit Association, Inc.

Beneficiary
1195 S.E. Powell Blvd.
Portland, Oregon 97242

Number ____________

Craig J. Long
Claudia Long
5034 Harlan Drive
Klamath Falls, Oregon

Grantor(s) - (Borrower)

Date Note	Amt. Note & Loan	First Pymt. Due
5/2/78	10,253.62	6/20/78
Terms(Except Final)	Final Pymt. Due	Princ. Amt. Fin.
1X223.62 59X170.00	5/20/83	6694.55
	Final Payment Equal to Unpaid Principal and Interest if any	Other Pymts. Due Same Day Each Month

Due Date

This Trust Deed also secures future advances as provided below.

A. This Trust Deed by and between the above named grantor(s), beneficiary, and Transamerica Title Ins. Co. the terms and dates of which are indicated above,

WITNESSETH

Grantor irrevocably grants, bargains, sells, and conveys to Trustee, in Trust, with power of sale, the property described as

Klamath County, Oregon, Tract 43 of HOMEDALE, Klamath County, Oregon

which said property is not currently used for agricultural, timber, or grazing purposes, together with all the tenements, hereditaments and appurtenances and [illegible] rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now [illegible] attached [illegible] in connection with said real estate.

B. Grantor agrees that this Trust Deed is for the purpose of securing: (a) performance of each and every covenant and agreement herein contained to be kept and performed by grantor (b) payment of a promissory note or continuing note in accordance with the terms as above described, executed by grantor in favor of beneficiary on even date herewith for the "Amount Note & Loan" indicated above, together with the interest as provided therein [illegible] payment of any renewals or extensions of said note, and (d) payment of any other or future indebtedness of grantor to beneficiary, however the same may be evidenced, in whatever form it may be and at whatever time it may be created until this Trust Deed shall be formally discharged and terminated by beneficiary [illegible] the payment of such additional money, if any, as may be loaned hereafter by Reliable Credit Association, Inc. to the grantor, or either of them, not to exceed an unpaid balance at any time in the amount designated above as "Amount Note & Loan". Grantor agrees that this Trust Deed to Reliable Credit Association, Inc. shall constitute a first lien upon the real property hereinabove described except for any encumbrances described herein, and that all of the grantor's right, title and interest in and to said real property shall be subject to and subordinate to the existing Trust Deed in favor of Reliable Credit Association, Inc. [illegible] original loan and any further advances heretofore made, secured by said Trust Deed, but also for any additional advances, if any, now to be made by Reliable Credit Association, Inc. to grantor, or either of them. Future advances under this Trust Deed shall be evidenced either by execution of a new [illegible] new advances and other charges authorized by the terms of this Trust Deed, or by appropriate endorsement by grantor, or either of them, on the reverse side of the check to grantor, or either of them, for the additional advance. This Trust Deed is security only for the amount that grantor is actually indebted to Reliable Credit Association, Inc. at any particular time.

C. Agreed Rate of Interest: (a) 3% per month on that part of the unpaid principal balance not in excess of $300.00; 1.75% per month on that part of the unpaid principal balance in excess of $300.00 but not in excess of $1000.00; 1.25% per month on that part of the unpaid principal balance in excess of [illegible] $5000.00. On balances over $5000.00 (last advance plus principal then owing, if any, exceeds $5000.00) interest is figured at 1.5% per [illegible] balance for the full term of the loan. The beneficiary may [illegible] figure the finance charge at the single annual percentage rate that will earn the same finance charge as the rates stated above if the debt was paid according to the original agreement terms and the calculations are made according to the [illegible] method. For loans with maturities less than 61 months, interest may be precomputed [illegible] unless prohibited by law. (The total of payments [illegible] "Amount Note & Loan", and this figure is larger than the "Principal Amount Financed" indicated above.) This precomputed interest may subsequently be recast [illegible] loan at the above rates as daily interest if 2 payments or more are past due. Both of the foregoing may be done at the option of Reliable [illegible] delinquency charges and extension charges will be reapplied first to interest due and then to principal. (b) If a loan is precomputed and if the security, if any, is not real estate, a delinquency charge of the lesser of 5% of the payment or $5.00 may be charged for each payment made more than 10 days late. If the loan is precomputed, and Real Estate is used for security, a delinquency charge of 5% of the payment may be charged for each payment received more than 15 days late, if allowed by law. If the 15th day ends on a Saturday, Sunday, or legal holiday, the 15 day period shall extend to the next business day. (c) A refund of finance charges on a precomputed loan will be made for early payoff based on the Rule of 78's for that portion of the pre-computed charge scheduled to follow the installment due date nearest the date of prepayment in full. Daily interest will be calculated on a 360 day year (12 mo. of 30 days each).

D. 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, except as stated below:

and that he will warrant and forever defend the same against all persons whomsoever. Grantor further agrees that if there is a [illegible] other encumbrance on the above described property that requires specific payments that grantor will pay such amounts as they [illegible] ficiary may, at its option, pay such amounts or the balance in order to protect [illegible] adding the amount to this obligation as [illegible]

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property in good condition and 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 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 officers or searching agencies as may be deemed desirable by the beneficiary, unless prohibited by law.

4. To provide and continuously maintain insurance on the buildings 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 the County Assessor appraised value of the building, 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 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 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 said premises free from mechanics' liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said 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, unless prohibited by law, 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 the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation, and trustee's and attorney's fees actually incurred, unless prohibited by law.

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, to pay 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, 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 [illegible] 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 reconveyance, 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 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, unless prohibited by law.

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 said property or any part thereof, in its own name sue for or otherwise collect the rents, issues and profits [illegible]

including those past due and unpaid, and apply the same, less costs and ex-
penses of operation and collection, including reasonable attorney's fees upon any
indebtedness secured hereby, and in such order as beneficiary may determine.
unless prohibited by law.

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 poli-
cies 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 de-
fault 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, the beneficiary may declare
all sums secured hereby immediately due and payable, less unearned finance
charges, if any. In such an event beneficiary at his election may proceed to fore-
close this trust deed in equity as a mortgage in the manner provided by law for
mortgage foreclosures or direct the trustee to foreclose this trust deed by adver-
tisement and sale. In 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 obligations secured hereby, whereupon
the trustee shall fix the time and place of sale, give notice thereof as then re-
quired by law and proceed to foreclose this trust deed in the manner provided
in ORS 86.740 to 86.795.

13. After default at any time prior to five days before the date set by the
trustee for the trustee's sale, the grantor or other person so privileged by ORS
86.760, may pay to the beneficiary or his successors in interest, respectively, the
entire amount then due under the terms of the trust deed and the obligation se-
cured thereby (including costs and expenses actually incurred in enforcing the
terms of the obligation and trustee's and attorney's fees not exceeding $50 each,
unless prohibited by law, other than such portion of the principal as would not
then be due had no default occurred, and thereby cure the default, in which event
all foreclosure proceedings shall be dismissed by the trustee.

14. Otherwise, the sale shall be held on the date and at the time and place
designated in the notice of sale. The trustee may sell said 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 of any matters of fact shall be conclusive proof of the truthfulness
thereof. Any person, excluding the trustee, but including the grantor and bene-
ficiary, 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, unless
prohibited by law, (2) to the obligation secured by the trust deed, (3) to all per-
sons 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 sur-
plus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any reason permitted by law beneficiary may from time to time ap-
point 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 ap-
pointment and substitution shall be made by written instrument executed by bene-
ficiary, containing reference to this trust deed and its place of record, which
when recorded in the office of the County Clerk or Recorder 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 acknowl-
edged 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.

18. Grantor further agrees that any and all amounts paid by beneficiary to fulfill grantor's obligations hereunder, including but not limited to termination, satisfaction or reconveyance fees, costs, insurance, or expenses, or any of them of like nature, may be added to the balance owing on this trust deed and shall be payable at the same interest rates and applicable conditions as stated herein, unless specifically prohibited by law.

19. This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the note 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.

20. The Grantor hereby jointly and severally authorizes Beneficiary, its agents and assigns to communicate in any manner with any person, firm, corporation or governmental agency for any purpose in connection with the making or collection of this loan, or future loans secured by this document, and also waive the right to enforce any claim, action or cause of action which the Grantor may hereafter have for violation of right of privacy by reason of such communications.

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

X Craig L. Long

(ORS 93.490) X Claudia A. Long

X

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON, County of ....) ss. ...., 19...... Personally appeared .... and .... who, being duly sworn each for himself and not one for the other, did say that the former is the president and that the latter is the .... secretary of ...., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. (OFFICIAL SEAL) Before me: Notary Public for Oregon — My commission expires	(Individual) STATE OF OREGON, County of Klamath) ss. May 2, 1978 Personally appeared the above named Craig L. Long & Claudia Long and acknowledged the foregoing instrument to be their voluntary act and deed. Before me: [signature] Notary Public for Oregon — My commission expires:

TRUST DEED

Grantor

Reliable Credit Association, Inc.
Beneficiary

STATE OF OREGON, } ss.
County of Klamath

I certify that the within instrument was received for record on the 9th day of May 1978, at 3:31 o'clock P M., and recorded in book M78 on page 9442 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne
County Clerk Title.

By Bernetha H Letsch Deputy

Fee $6.00

Return to:
Reliable Credit Association, Inc.
1195 S. E. Powell Blvd.
Portland, Oregon 97242
(Beneficiary)

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 ....

Reliable Credit Association, Inc.

DATED: ...., 19......

by .... Beneficiary (Title)

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.