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(SECOND)
TRUST DEEDVol. 108 p. 10109
July 1982

THIS TRUST DEED, made this 15 day of July 1982, between
 RUSH L. LONG and ELIZABETH J. LONG, Husband and Wife
 and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
 and RUSH E. LONG and MARY B. LONG, Husband and Wife
 as Grantor,
 as Trustee,
 as Beneficiary,

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

Lots 23 and 24, Block 5, TOGETHER WITH that portion of
 vacated Pine Street adjoining Lot 24, all in DOTEN. LESS
 any portion thereof lying in Highway 66, in the County of
 Klamath, State of Oregon

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 connec-
 tion with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the
 sum of Thirty-six Thousand and no/100 (\$36,000.00) Dollars, 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 September 1, 1992.
 The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note
 becomes due and payable. 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.
 then, 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.

The above described real property is not currently used for agricultural, timber or grazing purposes.

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 or improvement thereon;

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, condi-
 tions and restrictions affecting said property; if the beneficiary so requests, to
 join in executing such financing statements pursuant to the Uniform Commer-
 cial 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 title 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 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 \$ 75,000.00, written in
 policies 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 expira-
 tion 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 benefi-
 ciary 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 construction liens and to pay all
 taxes, assessments and other charges that may be levied or assessed upon or
 against said property before any such taxes, assessments and other
 charges become due; and to promptly deliver receipts therefor
 to beneficiary; should the grantor fail to make payment of any taxes, assess-
 ments, 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
 by this deed, 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
 deed, without waiver of any rights arising from breach of any of the
 covenants hereof and such payments, with interest as aforesaid, the prop-
 erty herebefore 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 with-
 out notice, and the nonpayment thereof shall, at the option of the benefi-
 ciary, 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.

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, in-
 cluding 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 ap-
 pellate court shall adjudge reasonable as the beneficiary's or trustee's attor-
 ney'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 be taken
 right, if it so elects, to require that any portion of the money payable
 as compensation for such taking, which is 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
 both in the trial and appellate courts, necessarily paid or incurred by benefi-
 ciary 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 com-
 pensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of benefi-
 ciary, 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 said property; (b) join in
 granting any easement or creating any restriction thereon; (c) join in any
 subdivision or other agreement affecting this deed or the lien or charge
 thereon; (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 receiver to be ap-
 pointed by a court, and without regard to the adequacy of any security for
 the indebtedness hereby secured, enter upon and take possession of any prop-
 erty or any real property, in its own name and take possession of said prop-
 erty and profits thereon, including those past due and unpaid, and apply the same,
 less costs and expenses of operation and collection, including reasonable attor-
 ney's fees upon any indebtedness secured hereby, and in such order as bene-
 fiary 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, the beneficiary may
 declare all sums secured hereby immediately due and payable. In such an event
 and if the above described real property is currently used for agricultural,
 timber or grazing purposes, the beneficiary may proceed to foreclose this trust
 deed in equity, as a mortgage in the manner provided by law for mortgage
 foreclosures. However if said real property is not so currently used, the bene-
 fiary at his election may proceed to foreclose this trust deed in equity as a
 mortgage or direct the trustee to foreclose this trust deed in equity as a
 mortgage 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, where-
 upon 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 pro-
 vided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale
 then after default at any time prior to five days before the date set by the
 trustee for the trustee's sale, the grantor or any other person so privileged by
 ORS 86.760, may pay to the beneficiary or his successors in interest, respect-
 tively, the entire amount then due under the terms of the trust deed and the
 obligation secured thereby (including costs and expenses actually incurred in
 enforcing the terms of the obligation and trustee's and attorney's fees not ex-
 ceeding \$50 each) 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 convey-
 ing the property so sold, but without any covenant or warranty, express or im-
 plied. 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 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, in-
 cluding the compensation of the trustee and a reasonable charge by trustee's
 attorney, (2) 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. For any reason permitted by law 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, 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 record as provided by law. Trustee is not
 obligated to make a public trust when this deed is duly executed and
 acknowledged in the presence of a public officer or a notary public, and
 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, or the United States or any agency thereof.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is law-fully seized in fee simple of said described real property and has a valid, unencumbered title thereto except for a First Trust Deed dated March 17, 1978 wherein Rush E. Long, Mary B. Long, Rush L. Long and Linda M. Long are Grantors, Transamerica Title Insurance Co. is Trustee and Joe DeGrande and Anna Marie DeGrande, Husband and Wife are beneficiary, covering real property described herein, and all other encumbrances of record and that he will warrant and forever defend the same against all persons whomsoever.

It is understood by all the parties hereto that this Trust Deed is subordinate and inferior to all other liens and encumbrances of record on the subject property.

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, household or agricultural purposes (see Important Notice below).~~
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural 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 or 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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act not required, disregard this notice.

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

Rush L. Long
RUSH L. LONG
Elizabeth J. Long
ELIZABETH J. LONG

STATE OF OREGON, } ss.
County of KLAMATH }
July 15, 19 82.
Personally appeared the above named
Rush L. Long and Elizabeth J. Long

STATE OF OREGON, County of _____) ss.
_____, 19_____.
Personally appeared _____ and
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 be-
half of said corporation by authority of its board of directors; and each of
them acknowledged said instrument to be its voluntary act and deed.

ment to be _____ and acknowledged the foregoing instru-
their _____ voluntary act and deed.
Before me:
(OFFICIAL SEAL) *Steven D. Harper*
Notary Public for Oregon
My commission expires: 3/6/83

Before me:
Notary Public for Oregon
My commission expires: _____ (OFFICIAL SEAL)

REQUEST FOR FULL RECONVEYANCE
To be used only when obligations have been paid.

TO: Klamath First Federal Savings & Loan 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 PUB. CO., PORTLAND, ORE.

RUSH L. LONG & ELIZABETH J. LONG, Husband and Wife
Grantor

RUSH E. LONG and MARY B. LONG, Husband and Wife
Beneficiary

AFTER RECORDING RETURN TO
BEDDOE & WHITLOCK
296 Main Street
Klamath Falls, Oregon 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON } ss.
County of Klamath }
I certify that the within instru-
ment was received for record on the
6 day of August, 19 82,
at 10:50 o'clock A. M., and recorded
in book M82 on page 10107 or
as file/reel number 14317
Record of Mortgages of said County.
Witness my hand and seal of
County affixed.
Evelyn Biehn County Clerk
By *Joyce Mc New* Title
Fee \$8.00 Deputy