THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS BEING RECORDED SECOND AND JUNIOR TO A FIRST TRUST DEED IN FAVOR OF OREGON DEPARTMENT OF VETERANS AFFAIRS, AS BENEFICIARY. SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the \*\*FORTY FOUR THOUSAND TWO HUNDRED EIGHTEEN AND FIFTY NINE / sum of

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 100ths\*\*\*\*

not sooner paid, to be due and payable PER TERMS OF NOTE.

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, or then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or therein, shall become immediately due and payable.

becomes due and payable. In the event without first he sold, conveyed, assigned or alienated by the grantor without first he herein, shall become immediately due and payable.

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 promptle manner any building or improvement and costs incurred therefor, and pay when days ordinances, regulations, covenants, conditions and restriction along a when days ordinances, regulations, covenants, conditions and restrictions and statements pursuant to the Uniform Commercial Code as this cor of offices, as well as the cost of all line searchs made proper published and continuously maintain insurance on the buildings here the beneficiary.

To provide and continuously maintain insurance on the buildings now or hereafter erected on the said prements asiant loss or damage by the and such other hearards as the beneficiary building with the said prements assent to so or damage by the an amount tot less than \$\frac{11}{215}\frac{115}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\frac{11}{25}\fra

It is mutually agreed that:

8. In the event that any portion or all of said property shall be taken under the right of enument domain or condemnation, beneficiary shall have the right if it is elects, to require that all or any portion of the monnes payable as compensation for such taking, which are in excess of the amount required to pay all teasonable costs, expenses and attornes's encessarily paid or nourted by grantor in such proceedings, shall be add to beneficiary and incurred by grantor in such proceedings, shall be present and attornes's lees, both in the trial and appellate courts, necessarily and or incurred by beneficiary in such proceedings, and the halance applied upon the indebtedness recurred hereby; and trantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary is request.

At any time and from time to time upon written request of beneficiary, payment of its less 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, truster 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 warrary, 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 cotals therein of any matters or lacts shall be legally entitled thereto, and the cotals therein of any matters or lacts shall be conclusive proof of the truthulmes thereof Truster's fees for any of the services mentioned in this paragraph shall be not less than \$5, services mentioned in this paragraph by agent or by a receiver to be appointed by a court, and without refair to the adequacy of any security for the indebtedness hereby securit enter upon and take possession of said property or any part thereof of the court of the defense of the same, less costs and expense of operation and collection, including reasonable afforms, and externine upon and taking possession of said property may determine upon and taking possession of said property, the

ficiary may determine.

11. The entering upon and taking possession of said property
collection of such rents, issues and profits, or the proceed of tire and
insurance policies or compensation or awards for any taking or damage of
property, and the application or release thereof as allowed, shall not cu
waive any default or notice of default hereunder or invalidate any act
pursuant to such notice.

1. Then default by frantor in payment of any indebtedness as

property, and the application or release thereof as adoresaid, shall not cure of 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 reserve with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an elective and the beneficiary at his election may proceed to foreclose this trust deed event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the truster to pursue any other right or advertisement and sale, or may direct the truster to pursue any other right or temedy, either at law or in equity, which the beneficiary may have. In the event remedy, either at law or in equity, which the beneficiary elects to foreclose by advertisement and sale, the beneficiary of the beneficiary elects to foreclose by advertisement and sale, the beneficiary of the beneficiary election to sell the said described real monerty to satisfy the obligation and his election to sell the said described real monerty to satisfy the obligation and his election to sell the said described real monerty to satisfy the obligation in the manner provided in ORS 86.735. To 86.795.

In the manner provided in ORS 86.735. To 86.795.

In the manner provided in ORS 86.735. To 86.795.

In the manner provided in ORS 86.735. To 86.795.

In the manner provided in ORS 86.795.

In the manner provided in the default may be cured by paying the sale, the grantor or any other persons privileed by ORS 86.753, may cure the default or the province monists of a failure to pay, wh

by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one pacel or in separate parcels and shall self the paccel or in separate parcels and shall self the paccel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee half deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any coverant 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 factor and beneficiary, may purchase at the safe.

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 stationey. (2) to the obligation secured by the trust deed, (3) to all persons the first payable to the property 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 granter of tone appsoint a successor of successions.

surplus, if any, to the granter or to his successor in interest entitled to such surplus.

10. Beneticiars may from time to time appoint a successor or successor from the term of the any successor truster appointed here or to any successor truster appointed here or truster, the latter shall be vested with all time powers and difference contents and substitution shall be made to appointed hereunder. Each such appointment and substitution shall be made he written maximum treasured to heneficiars which, then treorded in the mortgage records of the country or country of the successor truster.

11. Truster accepts this trust when this deed did executed and acknowledged is made a public record as provided by law Truster is nothing and party hereto of pending sale under any other deed of trust or party are party hereto of pending sale under any other deed of trust or of any action or proceeding in which granter, beneficiars on truster shall be a party unless such action or proceeding is brought by truster.

16263 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 ate:

(a)\* primarily for grantor's personal, family or household purposes (see Important Notice below),

(b) for an organization, or (even it 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 leminine 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. STATE OF OREGON, County of ..... This instrument was acknowledged before me WILLIAM S. NEWELL and KATHY M. NEWELL This instrument was acknowledged before me on Notary Public for Oregon My commission expires. REQUEST FOR FULL RECONVEYANCE To be used only when obligations have been paid , Trustee TO: 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: Beneticiary tel less or destroy this Trust Dood OR THE NOTE which it secures. Both must be delivered to the trustee for concellation before reconveyance will be STATE OF OREGON, TRUST DEED 55. County of ..... (FORM No. 881) STEVENS-NESS LAW PUB. CO., PORTLAND, ORE Acertify that the within instrument was received for record on the ......day WILLIAM S. NEWELL and KATHY M NEWELL \_\_\_\_\_, 19....., 4242 FARGO STREET

at ...... o'clock ..... M., and recorded KLAMATH FALLS, OR 97603 in book/reel/volume No. ..... on SPACE RESERVED TIMOTHY B. DEARING and JANICE E. DEARING FOR page .....or as fee/file/instrument/microfilm/reception No....., RECORDER'S USE 1251 WIARD ST. Record of Mortgages of said County. KLAMATH FALLS, 97603 Witness my hand and seal of Beneticiary County affixed. AFTER RECORDING RETURN TO NAME mtc ..... Deputy

This Trust Deed is an All Inclusive Trust Deed and is second and subordinate to the Trust Deed now of record which was recorded on 01/31/80, in Volume M80, Page 2050, Microfilm Records of Klamath County, Oregon, in favor of OREGON DEPARTMENT OF VETERANS' AFFAIRS, as Beneficiary, which secures the payment of a Note therein mentioned.

The Beneficiary, named herein, agrees to pay, when due, all payments due upon the said Promissory Note recorded in favor of OREGON DEPARTMENT OF VETERANS' AFFAIRS, and will save the Grantors herein harmless therefrom.

Should the said Beneficiary herein default in making any payments due upon said prior Note and Trust Deed, Grantor herein may make said delinquent payments and any sums so paid by the Grantor herein shall then be credited upon the sums next to become due upon the Note secured by this Trust Deed.

TATE OF OREGON: COUNTY OF K	(LAMATH:	ss.
TATE OF OREGON: COUNTY OF A		

STATE O	OF OREGON: COUNTY OF KLAMATTI.	the 16th day
Filed for of	record at request of Mountain Title Co.  Aug. A.D., 19 91 at 11:44 o'clock A.M., and duly of Mortgages on Page 1626  Evelyn Biehn	recorded in Vol.
FEE	\$18.00	