

which are in excess of the amount received by the trustee, costs and attorney's fees necessarily paid or incurred by trustee in such proceedings shall be recovered by him upon any recoverable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured thereby and security agreed at its own expense to take such actions and execute such instruments as shall be necessary to obtain and/or maintain such compensation from the independent trustees.

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 indorsement (in case of full reconveyance by 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 the 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 liens or charges thereon; (d) legally entitle the property to any part of the property; (e) 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, 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 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 the 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 upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of the sale 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 grantor's 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 event the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the 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 proceed to foreclose this trust deed in the manner provided in ORS 86.753 to 86.795.

13. After the 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 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying 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 obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs 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 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 the sale may be postponed as provided by law. The trustee may sell the property either in one parcel or in separate parcels and shall sell in lots 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 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, 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 any 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, which, when recorded 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 is 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 except any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be involved unless such action or proceeding is brought by trustee.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully entitled in fee simple of the real property and has a valid, unencumbered title thereto.

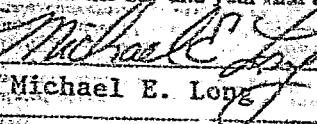
I, Michael E. Long, do hereby acknowledge that I have read the foregoing instrument and understand its contents and that I am signing it as my true intent and desire to give the same effect as if it were set forth in full in the body of the instrument, and that the grantor will warrant and defend the same against all persons wheresoever.

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 entity if grantor is a natural person) are for business or commercial purposes;
 This deed applies to loans to the benefit of and binds all parties herein, 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 trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof applicable to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first above written.


Michael E. Long

IMPORTANT NOTICE: Below, by being set, whichever whenever (a) or (b) is applicable and the beneficiary is a creditor, in 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 see Statement Form No. 437, as required. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Washington
NOV. THE TWENTY-THREE, 1997. This instrument was acknowledged before me on March 23, 1997,
by MICHAEL E. LONG.
This instrument was acknowledged before me on , 19

OFFICIAL SEAL
KATHLEEN AGNEW
NOTARY PUBLIC, OREGON
COMMISSION NO. 028887
MY COMMISSION EXPIRES JUNE 1997
RECEIVED IN THE CLERK'S OFFICE
MARCH 23, 1997
My commission expires 7/15/97
Notary Public for Oregon

STATE OF OREGON, COUNTY OF KLAMATH
I certify that the foregoing instrument was acknowledged before me on the 23rd day of March, 1997, and that the same is a true copy of the original instrument.
Held for record at the office of the County Clerk, Klamath County, Oregon, on the 23rd day of March, 1997, at 10:15 o'clock A.M., and duly recorded in Vol. M-24
on Page 9436.

Fee \$15.00
Evelyn Biehn County Clerk
by 