

4. The entering upon and taking possession of said property, the collection of said rents, issues and profits and the proceeds of fire and other insurance policies or compensation of awards for any injury or damage to 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.

5. The grantor shall notify beneficiary in writing of any sale or contract for sale of the above described property and furnish beneficiary on a form supplied it with such personal information concerning the purchaser as would ordinarily be required of a new loan applicant and shall pay beneficiary a service charge.

6. Time is of the essence of this instrument and upon default by the grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable by delivery to the trustee of written notice of default and election to sell the trust property, which notice trustee shall cause to be duly filed for record. Upon delivery of said notice of default and election to sell, the beneficiary shall deposit with the trustee this trust deed and all promissory notes and documents evidencing expenditures secured hereby, whereupon the trustee shall fix the time and place of sale and give notice thereof as then required by law.

7. After default and 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 may pay the entire amount then due under this trust deed and the obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50.00 each) other than such portion of the principal as would not then have been due had no default occurred and thereby cure the default.

8. After the lapse of such time as may then be required by law following the recordation of said notice of default and giving of said notice of sale, the trustee shall sell and convey the property as the time and place fixed by him in said notice of sale, either as a whole or in separate parcels, and in such order as he may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone and make by public sale.

9. When the Trustee sells pursuant to the powers provided herein, the trustee shall apply the proceeds of the trustee's sale as follows: (1) To the expenses of the sale including the compensation of the trustee, and a reasonable charge by the attorney; (2) To the obligation secured by the trust deed; (3) To all persons having recorded liens subsequent to the interests of the trustee in the trust deed as their interests appear in the order of their priority; (4) The surplus, if any, to the grantor of the trust deed or to his successor in interest entitled to such surplus.

10. For any reason permitted by law, the 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 the 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.

11. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record, as provided by law. The 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 the grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by the trustee.

12. 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/or neuter, and the singular number includes the plural.

7. After default and 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 may pay the entire amount then due under this trust deed and the obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50.00 each) other than such portion of the principal as would not then have been due had no default occurred and thereby cure the default.

8. After the lapse of such time as may then be required by law following the recordation of said notice of default and giving of said notice of sale, the trustee shall sell and convey the property as the time and place fixed by him in said notice of sale, either as a whole or in separate parcels, and in such order as he may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone and make by public sale.

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

STATE OF OREGON
County of Klamath } ss.

TIMOTHY A. BAILEY (SEAL)
KRISTINE L. BAILEY (SEAL)
Timothy A. Bailey her attorney in fact

THIS IS TO CERTIFY that on this 21st day of April, 1978, before me, the undersigned, a Notary Public in and for said county, and state, personally appeared the within named TIMOTHY A. BAILEY and KRISTINE L. BAILEY, husband and wife to me personally known to be the identical individuals named in and who executed the foregoing instrument and acknowledged to me that they executed the same freely and voluntarily for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Reverend Owens
Notary Public for Oregon
My commission expires: 5-14-80

Loan No. _____	STATE OF OREGON } ss. County of <u>Klamath</u>
TRUST DEED	
HOL STEINBOCK VODILION	
I certify that the within instrument was received for record on the <u>24th</u> day of <u>April</u> , 19 <u>78</u> , at <u>12:05</u> clock <u>PM</u> , and recorded in <u>Book 178</u> page <u>1791</u> of the <u>Records of Mortgages of said County</u> .	
Klamath First Federal Savings and Loan Association	
Witness my hand and seal of County of <u>Klamath</u> this <u>21st</u> day of <u>April</u> , 19 <u>78</u> .	
<u>Wm. D. Milne</u> County Clerk	

STATE OF OREGON)
COUNTY OF KLAMATH) ss.

On the 21st day of April, 1978, personally appeared TIMOTHY A. BAILEY, who being duly sworn, did say that he is the attorney in fact for KRISTINE L. BAILEY, and that he executed the foregoing instrument by authority of and on behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Reverend Owens
Notary Public for Oregon
My commission expires: 5/14/80