

Lot 19 in Block 2, Tract 1128, SECOND ADDITION TO EAST HILLS ESTATES, according to the official plat thereof on file in the office of the County of Klamath County, Oregon:

[illegible]

4. 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.

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. There 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 designated 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 \$400.00 each) other than such portion of the principal as would not then be 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 recording of said notice of default and giving of said notice of sale, the trustee shall sell said property in the most advantageous manner in his or her judgment, 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's sale of all or any portion of said property by public auction shall be held at such time and place of sale and from time to time thereafter as may be deemed proper by the trustee.

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 the 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.

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

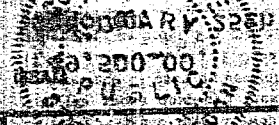
James E. Patton (SEAL)
William C. Hanson (SEAL)
William C. Hanson

STATE OF OREGON
County of Klamath

THIS IS TO CERTIFY that on this April day of 1978, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named JAMES E. PATTON and WILLIAM C. HANSON

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.

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



Sheldon A. Page
Notary Public for Oregon
My commission expires: 10/20/80

TRUST DEED		STATE OF OREGON County of <u>Klamath</u> ss.	
TO KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION		I certify that the within instrument was received for record on the <u>25th</u> day of <u>April</u> , 19 <u>78</u> , at <u>10:42</u> o'clock <u>A</u> M., and recorded in book <u>M78</u> on page <u>8084</u> Record of Mortgages of said County.	
Beneficiary		Witness my hand and seal of County affixed. <u>Wm. D. Milne</u> County Clerk	
After Recording Return To: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION		Deputy <i>Sheldon A. Page</i>	

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

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. The undersigned hereby certifies that the obligations secured by said trust deed (which are delivered to you herewith together with said deed) are hereby released, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the Klamath First Federal Savings & Loan Association, Beneficiary:
JAMES E. PATTON and WILLIAM C. HANSON
DATED April 26 1978