

which are 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 applied by it first upon any reasonable costs and expense 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 hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. The grantee shall, at all times, remain obligated to the lender to maintain the property in accordance with the covenants, conditions and restrictions hereon, and to pay all taxes and assessments on the property as shall be necessary and proper. The grantee shall, at all times, remain obligated to the lender to maintain the property in accordance with the covenants, conditions and restrictions hereon, and to pay all taxes and assessments on the property as shall be necessary and proper.

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 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 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 an 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 86.733 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 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 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.

10. 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. Each

17. Trustee accepts this trust when this deed, 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 under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

WARNING: Unless grantor provides beneficiary with evidence of insurance, grantor

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

(b) for an organization, or (even if 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 WITNESS WHEREOF, the grantor has executed this instrument the day and year first above written.

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

NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor, each word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation through the

Ronald E. Thielen
Ronald E. Thielen, Member

compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Lane

Franklin E. Price Jr., Member

STATE OF OREGON, County of Lane, Franklin E. Price Jr., Member
 This instrument was acknowledged before me on _____, 19____,
 by _____

instrument was acknowledged before me on May 8, 1997, by Ronald E. Thienes and Franklin E. Price, Jr.

MEMBERS

POTTERY PUEBLO C. CHURCH Members
CLARENCE HANNA, LANSINGVILLE Billy Lake L.I. C.

Notary Public for Oregon My commission expires _____

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust have been fully paid and satisfied. It is hereby acknowledged that the foregoing trust deed is hereby terminated and the same is hereby released.

and have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed the estate now held by you under the same. Mail reconveyances and deliveries to the parties designated by the terms of the trust deed shall constitute full compliance with the foregoing provisions of this deed.

not lost or destroy this Trust Deed OR THE NOTE which is made

not lost or destroy this Trust Deed OR THE NOTE which it secures.
It must be delivered to the trustee for cancellation before
reconveyance will be made.

Beneficiary

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

Parcel 1 of Land Partition 36-93 situated in the N1/2 Section 29, Township 35 South, Range 12 East, Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM the following described parcel of land:

That portion of Parcel 1 of Land Partition 36-93 filed August 2, 1995 in the Klamath County Clerk's Office, EXCEPTING THEREFROM that portion lying within the Northeast quarter of Section 29, Township 35 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

ALSO described as Parcel 1 of Property Line Adjustment 25-95.

PARCEL 2

Parcel 2 of Land Partition 36-93 situated in the N1/2 section 29, Township 35 South, Range 12 East, Willamette Meridian, Klamath County, Oregon.

EXHIBIT "B"

That portion of Parcel 1 of Land Partition 36-93 filed August 2, 1995 in the Klamath County Clerk's Office, EXCEPTING THEREFROM that portion lying within the Northeast quarter of Section 29, Township 35 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

ALSO described as Parcel 1 of Property Line Adjustment 25-95.

and

The S 1/2 NE 1/4 SW 1/4 SW 1/4 of Section 29, Township 35 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

and

The N 1/2 SE 1/4 SW 1/4 SW 1/4 of Section 29, Township 35 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 12th day
of May A.D., 19 97 at 3:13 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 14508

FEE \$25.00

Bernetha G. Letsch, County Clerk

by Kathleen R. [Signature]