

which expenses the amount required to defend the suit, and the amount of attorney's fees necessarily paid or incurred by attorney in such proceedings, shall be paid to beneficiary and equal to attorney's reasonable costs and expenses and attorney's fees, both in trial and appellate courts and also paid of incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby and prior to payment of any interest thereon, to take such actions and execute such instruments as shall be necessary to obtain such compensation, finally upon beneficiary's request.

9. At any time and continuing to live upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full recoverances, for 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 plan of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any encroachment or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grants in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters of fact shall be conclusive proof of the truthfulness thereof. Trustee's fee 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 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 hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor hereunder, 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 selects 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 84.753 to 84.763.

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 84.753, 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. Trustees 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.

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 situate, shall be conclusive proof of proper appointment of the successor trustee.

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 a public sale unless 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.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized in fee simple of the real property herein and holds unencumbered title thereto, subject to the above conditions.

EXCEPT COVENANTS, RESTRICTIONS, AND EASEMENTS OF RECORD

Grantor warrants and covenants that he has no other covenants, restrictions, or easements of record on the property herein.

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 the payment of taxes, assessments, insurance premiums, and other charges against the property; and
 (c) to be applied to the payment of debts of and funds of 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 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, inserted and implied to make the provisions herein apply equally to corporations and to individuals.

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

Harold Elliott

Harold Elliott
Signature

IMPORTANT NOTICE: By signing this instrument, the grantor waives all rights to sue for attorney's fees, costs and expenses, if any, in any action or proceeding, except as provided in the Oregon Uniform Consumer Protection Act, ORS 808.200 et seq., if applicable, if and only if it is applicable and the beneficiary is a creditor as such person defined in the Uniform Consumer Credit Regulation. The grantor must comply with the Act and its regulations. A copy of the disclosure for his purpose is the Disclosure Form No. UCC-1, or equivalent disclosure, which is not available during the execution of this instrument.

STATE OF OREGON, County of Deschutes) ss.

This instrument was acknowledged before me on March 30, 1996.

My commission expires March 30, 1997.

Notary Public for Oregon

Notary Public