

12. Upon default by grantor or payment of any indebtedness secured hereby or in the performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to release this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded in writing a notice of default and the election to sell the above described real property to satisfy the obligation secured hereby with respect to the trustee shall fix the time and place of sale, give notice hereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 60 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.783 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 to the time to which said sale may be postponed as provided by law. The trustee may sell 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 contents 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 whose interests may appear in the order of their priority and (4) the surplus, if any to the grantor or to his 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 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 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 the 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 suits 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.

The grantor covenants and agrees to and with the beneficiary and beneficiary's successor in interest that the granted is lawfully seized in fee simple of said described real property and has a valid, unincumbered title thereto subject to covenants, conditions, restrictions and easements of record and that he will warrant and forever defend the same against all persons whatsoever.

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;
(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 in 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 contract 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 apply equally to corporations and to individuals.

You have the option to cancel your contract or agreement of sale by notice to the seller until midnight of the seventh day following the signing of the contract or agreement. If you did not receive a Property Report prepared pursuant to the rules and regulations of the Office of Interstate and State Registration, U.S. Department of Housing and Urban Development, in advance of your signing the contract or agreement, the contract or agreement of sale may be canceled at your option for two years from the date of signing.

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

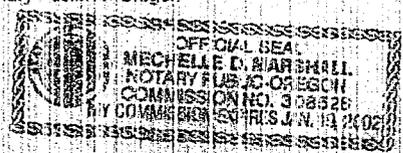
IMPORTANT NOTICE: Defaults by lining out, which ever warranty (a) or (b) is not applicable; if warranty (a) is applicable and beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures on a purpose use Statement-Niso Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF OREGON,) ss.
County of Clatsop.....)
This instrument was acknowledged before me on
January 8th, 1999, by Thomas E. Shipley

Thomas E. Shipley
Notary Public for Oregon

Michele D. Marshall
Notary Public for Oregon



CORPORATE ACKNOWLEDGEMENT

This instrument was acknowledged before me on January 11th, 1999, by _____ ss

Notary Public for Oregon

REQUEST FOR FULL CONVEYANCE

To be used only when obligations have been paid.

STATE OF OREGON, COUNTY OF CLATSOP: ss.
Filed for record at request of _____ on the 22nd day
of January, 1999, A.D. 1999, at _____ o'clock
of the _____ day of _____, 1999.
Linda Smith, County Clerk

Fee: \$15.00

by Kathleen Rozell