

Beneficiary's Rights

Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee,

If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.

Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.

If Grantor fails to perform any of Grantor's obligations, (which include but are not limited to the timely payment of property taxes, insurance and accrued interest) Beneficiary may perform those obligations and (a) be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts; or (b) add the amount advanced by Beneficiary to the principal balance of the note. The sum to be reimbursed or added to the principal of the note shall be secured by this deed of trust.

If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default

occurs on a prior lien note or other instrument, Beneficiary may:

- a. declare the unpaid principal balance and earned interest on the note immediately due;
- b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
- c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.