

Assessor's Number: 13100
GCA's Number: 970000000000000000
Date Printed: 5/17/2007
Recording/Deed File: S-1-02

15949

WHEN RECORDED MAIL TO:

Bank of America
Northwest Residential Loan Service Center
P.O. Box 3921
Seattle, WA 98124-3926

NTC 4121C

RESERVED FOR AUDITOR'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST is granted this 22 day of May, 19 97, by Roger C. Smith And Terry A. R. Smith, As Tenants By The Entirety

("Grantor") to AMERITITLE Bank of America NTASA ("Beneficiary"). Grantor agrees as follows:

1. CONVEYANCE. Grantor hereby bargains, sells and conveys to Trustee, in trust, with power of sale, all of Grantor's right, title and interest in the following described real property ("Property"), whether now owned or later acquired, located at 104 Leach Dr.

MIDLAND OR 97634 (City) ZIP CODE in Marion NUMBER STREET County, Oregon and legally

described as: The Westerly 104 Feet Of The Easterly 233 Feet Of Lot 1 In Block 3 Of Midland Hills Estates, According To The Official Plat Thereof On File In The Office Of The County Clerk Of Klamath County, Oregon.

Property Tax ID # 4003-1ab-4450

together with all equipment and fixtures, now or later attached to the Property; all easements, hereditaments and appurtenances, now or later in any way appertaining to the Property; and all leasehold interests, rents, payments, issues and profits derived from or in any way connected with the Property.

2. ASSIGNMENT OF RENTS.

2.1 ASSIGNMENT. Grantor further assigns to Beneficiary all of Grantor's interest in all existing and future leases, licenses and other agreements for the use or occupancy of the Property ("Contracts"), including the immediate and continuing right to collect, in either Grantor's or Beneficiary's name, all rents, receipts, income and other payments due to or become due under the Contracts ("Payments"). As long as there is no default under this Deed of Trust, Grantor is granted a license to collect the Payments, but such license shall not constitute Beneficiary's consent to Grantor's use of the Payments in any bankruptcy proceeding.

2.2 DISCLAIMER. Nothing contained in this Deed of Trust shall be construed as obligating Beneficiary or any receiver to take any action to enforce any provision of the Contracts; expend any money, incur any expense or perform any obligation under the Contracts. Beneficiary's duties are expressly limited to giving of proper credit for all Payments received by it.

3. SECURED OBLIGATION(S). This Deed of Trust secures performance of such covenants of Grantor contained in this Deed of Trust and the payment of the sum of thirteen thousand seven hundred one dollars and ninety eight cents Dollars

\$ 13,701.98 plus interest thereon as evidenced by a promissory note(s) signed on 5-22 19 97, payable to Beneficiary or order and made by Grantor, including all renewals, modifications and extensions thereof and any future advances hereunder ("Secured Obligation"). Nothing contained in this Deed of Trust shall be construed as obligating Beneficiary to make any future advance to Grantor.

4. MATURITY DATE. The term of the Secured Obligation commences on the date this Deed of Trust is executed and shall end, if not paid sooner, on 5/19/2007.

5. AFFIRMATIVE COVENANTS. Grantor shall:

5.1 MAINTENANCE OF PROPERTY. Maintain and preserve the Property in good condition and repair, ordinary wear and tear excepted; complete any improvement which may be constructed on the Property; and restore any improvement which may be damaged or destroyed;

5.2 COMPLIANCE WITH LAWS. Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property;

5.3 REAL ESTATE INTERESTS. Perform all obligations to be performed by Grantor under the Contracts;

5.4 PAYMENT OF DEBTS AND TAXES. Pay promptly all obligations secured by the Property, all taxes, assessments and governmental fees or charges levied against the Property, and all claims for labor, materials, supplies or otherwise which, if unpaid, might become a lien or charge upon the Property;

5.5 INSURANCE. Insure continuously, with financially sound and reputable insurers acceptable to Beneficiary, all improvements on the Property against all risks, casualties and losses through standard fire and extended coverage insurance or otherwise, including, without limitation, insurance against fire, theft, casualty, vandalism and any other risk Beneficiary may reasonably request. The insurance policies shall be in an aggregate amount of not less than the full replacement cost of all improvements on the Property, including the cost of demolition and removal of debris, and shall name Beneficiary as loss payee, as its interest may appear. The amounts collected under the insurance policies may be applied to the Secured Obligation in any manner as Beneficiary determines, and such application shall not cause discontinuance of any proceeding to foreclose upon this Deed of Trust. In the event of foreclosure, all of Grantor's rights in the insurance policies shall pass to purchaser at the foreclosure sale.

5.6 HAZARDOUS WASTE. Notify Beneficiary within twenty-four (24) hours of any release of a reportable quantity of any hazardous or regulated substance, or of the receipt by Grantor of any notice, order or communication from any governmental authority which relates to the existence of, or potential for, environmental pollution of any kind existing on the Property, or results from the use of the Property or any surrounding property; and/or to commence any action or proceeding to correct such pollution.

5.7 COSTS AND EXPENSES. Pay, reimburse and indemnify Beneficiary for all of Beneficiary's reasonable costs and expenses incurred in connection with foreclosing upon this Deed of Trust, defending any action or proceeding purporting to affect the rights or duties of Beneficiary or Trustee under this Deed of Trust, or managing the Property and collecting the Payments, including, without limitation, all reasonable attorneys' fees and value of the services of staff counsel, legal expenses, collection costs, costs of title search, and trustee's and receiver's fees at trial or on appeal.

6. NEGATIVE COVENANTS. Grantor shall not without Beneficiary's prior written consent:

6.1 PAYMENTS. Accept or collect Payments more than one (1) month in advance of the due date;

6.2 MODIFY CONTRACTS. Terminate, modify or amend any provision of the Contracts; or

6.3 RESTRICTIONS ON CONVEYANCES. Should the Grantor or the Grantor's successors in interest without the consent in writing of Beneficiary sell, transfer, or convey, or permit to be sold, transferred or conveyed, by agreement for sale or in any other manner, Grantor's interest in the property (or any part thereof), then Beneficiary may declare all sums accrued hereby immediately due and payable. This provision shall apply to each and every sale, transfer, or conveyance, regardless whether or not Beneficiary has consented to, or waived, Beneficiary's right hereunder, whether by action or non-action, in connection with any previous sale, transfer, or conveyance, whether one or more.

7. EMINENT DOMAIN. In the event any portion of the Property is taken through eminent domain, the amount of the award to which Grantor is entitled shall be applied to the Secured Obligation.

8. RECONVEYANCE. Trustee shall reconvey such portion of the Property to the person entitled thereto upon written request of Beneficiary, or upon satisfaction of the Secured Obligation and written request for reconveyance made by Beneficiary or any person interested in the Property.

9. SUCCESSOR TRUSTEE. In the event of death, incapacity, disability or resignation of the Trustee, Beneficiary may appoint a successor trustee and, upon the recording of such appointment in the records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original Trustee.

