

1077 SEP 17 PM 1:44

day of AUG - 1999

ATC #991251
S TRUST DEED, made this

between RALPH E. SMITH AND NORA MAE SMITH AS TENANTS BY THE ENTIRETY. as Grantor,

ASPEN TITLE AND ESCROW as Trustee, and

ASSOCIATES FINANCIAL SERVICES COMPANY OF OREGON, INC.

as Beneficiary.

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in KLAMATH

County, Oregon, described as:

SEE ATTACHED EXHIBIT "A".

When real property is not currently used for agricultural, timber or grazing purposes, together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now appertaining, and the rents, issues and profits thereof and all fixtures now attached to or used in connection with said real estate:

For the purpose of securing (1) Payment of the indebtedness in the principal sum of \$ 5848.96 and all other lawful charges evidenced by a loan agreement of even date herewith, made by grantor, payable to the order of beneficiary at all times, in monthly payments, with the full debt, if not paid earlier, due and payable on 08/20/04; and any extensions thereof;

(2) performance of each agreement of grantor herein contained; (3) payment of all sums expended or advanced by beneficiary under or pursuant to the terms hereof, together with interest at the note rate thereon.

To protect the security of this trust deed, grantor agrees:

1 To keep said property in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2 To provide, maintain and keep the improvements now existing or hereinafter erected on the premises insured against loss or damage by fire and other hazards and perils included within the scope of a standard extended coverage endorsement, and such other hazards as Beneficiary may require, in such amounts and for such periods as Beneficiary may require, and in an insurance company or insurance companies acceptable to Beneficiary. All insurance policies and renewals shall designate Beneficiary as mortgage loss payee and shall be in a form acceptable to Beneficiary. Grantor hereby confers full power on Beneficiary to settle and compromise all loss claims on all such policies; to demand, receive, and receipt for all proceeds becoming payable thereunder, and, at Beneficiary's option, to apply same toward either the restoration or repair of the premises or the payment of the note. Any application of such proceeds toward payment of the note shall not extend or postpone the due date of monthly installments due under the note.

3 To pay all costs, fees and expenses of this trust including the cost of title search as well as other costs and expenses of the trustee incurred in connection with or enforcing this obligation, and trustee's and attorney's fees actually incurred as permitted by law.

4 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee, and to pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum as permitted by law, in any such action or proceeding in which beneficiary or trustee may appear.

5 To pay at least ten (10) days prior to delinquency all taxes or assessments affecting the property, to pay when due all encumbrances, charges and liens with interest on the property or any part thereof that at any time appear to be prior or superior hereto.

6 If Grantor fails to perform the covenants and agreements contained in this Trust Deed, including, without limitation, covenants to pay taxes, procure insurance, and protect against prior liens, Beneficiary may at its option, but shall not be required to, disburse such sums and take such actions necessary to pay such taxes, procure such insurance, or otherwise to protect Beneficiary's interest. Any amount disbursed by Beneficiary hereunder shall be an additional obligation of Beneficiary secured by this Trust Deed. Unless Grantor and Beneficiary agree otherwise, all such amounts shall be payable immediately by Grantor upon notice from Beneficiary to Grantor, and may bear interest from the date of disbursement by Beneficiary at the lesser of the rate stated in the note or the highest rate permissible by applicable law. Nothing contained in this paragraph shall require Beneficiary to incur any expense or take any action whatsoever.

It is mutually agreed that

7 Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to beneficiary who may apply or release such monies received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

Delivered to

ASSOCIATES FINANCIAL SERVICES COMPANY OF OREGON, INC.

1077 WASHBURN WAY KLAMATH FALLS, OREGON, 97603 PHONE (541) 885-9991

(Address)

<input checked="" type="checkbox"/>	ORIGINAL (1)
<input type="checkbox"/>	BORROWER COPY (1)
<input type="checkbox"/>	RETENTION (1)

EXHIBIT "A"

That part of Lots 17, 18 and 19, HOMEDALE, in the County of Klamath, State of Oregon, described as follows:

Beginning on the North line of Lot 17, HOMEDALE, 134 feet West of the Northeast corner of said Lot 17, said point also being the Northwest corner of a tract conveyed to Charles M. Seward by deed recorded April 11, 1934 in Book 100 at Page 76, Deed Records of Klamath County Oregon; thence South along the West line of said Seward Tract and parallel to the East line of Lots 17, 18 and 19 to the South line of Lot 19; thence West along the South line of said Lot 19, 132 $\frac{2}{3}$ feet to the Southeast corner of a tract conveyed to L. E. Judd and Emma Judd, husband and wife, by Deed recorded January 2, 1940 in Book 126 at Page 257, Deed Records of Klamath County, Oregon; thence North along the East line of Judd Tract, said East line being 133 $\frac{1}{3}$ feet East of and parallel to the West line of Lots 17, 18 and 19, to the North line of Lot 17 and the Northeast corner of said Judd Tract; thence East along the North line of Lot 17 to the point of beginning.

CODE 41 MAP 3909-11AD TL 2400

State of Oregon, County of Klamath
Recorded 9/17/99, at 1:44 p.m.
In Vol. M99 Page 37170
Linda Smith,
County Clerk Fee \$ 20 -