

200 NOV 27 AM 9: 56

After Recording Return to:
Associates Home Equity Services, Inc.

8333 Ridgpoint Drive
Irving, TX 75063

Vol MOO Page 42414

TRUST DEED

THIS TRUST DEED, made on November 22, 2000, between LAURA A. KOSTEN and JOHN A. KOSTEN, as tenants by the entirety.

as Grantor, Marsha Fogle

Associates Home Equity Services, Inc.

AmeriTitle

, as Trustee, and

, 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:
LOT 9 AND THE WESTERLY 3 FEET OF LOT 8, BLOCK 30, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

CODE 1 MA 3009-28BC TL 13600

also known as: 1850 FREMONT STREET, KLAMATH FALLS, OR 97601

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 and all other lawful charges evidenced by a Promissory Note of even date herewith, made by Grantor, in the Principal amount of \$ 37,972.56 payable to the order of Beneficiary at all times (the "Note"), payable in 360 monthly installments: with the final installment due December 15, 2030, and any extensions or renewals 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 thereon as herein provided.

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 deliver to Beneficiary insurance on the premises satisfactory to Beneficiary and with loss payable to the Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

The tax account number for the property described above is _____ . In the event of a discrepancy between the property covered by said Tax Account Number and the above description, the above description shall control.

31 ✓

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 may be permitted or limited 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 may be permitted or limited 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 any of the above duties to insure or preserve the subject matter in this Trust Deed, then Beneficiary may, but without obligation to do so and without notice to or demand on Grantor and without releasing Grantor from any obligation hereunder, perform or cause to be performed the same in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof. Beneficiary may, for the purpose of exercising said powers; enter onto the property; commence, appear in or defend any action or proceeding purporting to affect the security hereof or the rights and powers of Beneficiary; pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgment of Beneficiary appears to be prior or superior hereto; and in exercising any such powers Beneficiary may incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor including cost of evidence of title, employ counsel and pay his reasonable fees. Grantor covenants to repay immediately and without demand all sums expended hereunder by Beneficiary, together with interest from date of expenditure at the rate shown in the Promissory Note until paid, and the repayment of such sums are secured hereby.

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.

8. Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Trust Deed to collect the rents, issues, and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary upon giving written notification to the Grantor or his successors, etc., may 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 said property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of collection of such rents, issues and profits, and the application foresaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

9. Upon default by Grantor in payment of the Note or the violation of any covenant or obligation of the Note or this Trust Deed or if all or any part of the property is sold or transferred by Grantor without Beneficiary's consent the Beneficiary may declare all sums secured immediately due and payable. In such event Beneficiary at its election may proceed to foreclose this Trust Deed in equity in the manner provided by law for mortgage foreclosures or direct the Trustee to foreclose this Trust Deed by advertisement and sale. In the latter event Beneficiary or Trustee shall execute and cause to be recorded its written notice of default and its election to sell the said described real property to satisfy the obligations secured hereby and proceed to foreclose this Trust Deed in a manner provided by law.

10. In the event Beneficiary elects to foreclose this Trust Deed by advertisement and sale in the manner provided in ORS § 86.705 to 86.795, Grantor and certain other persons specified by those statutes shall have the right, at any time prior to five days before the date set by Trustee for the Trustee's sale, to cure Grantor's default by payment to Beneficiary of the entire amount then due, other than such portion of the principal of the Promissory Note and any other instruments secured by this Trust Deed as would not then be due had no default occurred, plus all costs and expenses incurred and all fees provided by those statutes.

11. Upon any default by Grantor hereunder, Grantor shall pay Beneficiary for any reasonable attorney fees not to exceed fifteen percent (15%) of the unpaid balance of the Note incurred by Beneficiary consequent to Grantor's default. Grantor will pay these fees upon demand.

12. After a lawful lapse of time following the recordation of the notice of default and the giving of notice of sale Trustee shall sell the property as provided by law at public auction to the highest bidder for cash payable at the time of sale. Trustee shall deliver to the purchaser a deed without express or implied covenants or warranty. Any person excluding Trustee may purchase at the sale.

13. When Trustee sells pursuant to the powers provided, Trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the lawful fees of the Trustee and the reasonable fees of Trustee's attorney, (2) the obligations secured by this Trust Deed, (3) to all persons having recorded liens subsequent to the interest of Beneficiary and the Trust Deed as their interest may appear in the order of their priority, and (4) the surplus, if any, to Grantor or to his successor in interest entitled to such surplus.

14. For any reason permitted by law, the 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.

Grantor covenants and agrees to and with Beneficiary and those claiming under Beneficiary that Grantor is lawfully seised in fee simple of said described real property and will warrant and forever defend said title against all persons whomsoever and that said property is free and clear of all liens and encumbrances excepting current taxes.

This Trust Deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledgee, of the Note secured hereby, whether or not named as a Beneficiary herein. In construing this Trust Deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

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

Pamela J. Spencer
Witness

Laura A. Kosten (Seal)
LAURA A. KOSTEN -Borrower

Lisa Weatherly
Witness

John A. Kosten (Seal)
JOHN A. KOSTEN -Borrower

(Seal)
-Borrower

(Seal)
-Borrower

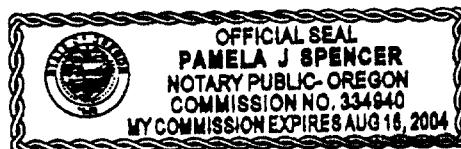
STATE OF OREGON)
County of Klamath)SS.

Personally appeared the above named LAURA A. KOSTEN and JOHN A. KOSTEN

before me on this the 22nd day of NOVEMBER, 2000 and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: Pamela J. Spencer

My commission expires: 8/16/2004
Notary Public



State of Oregon, County of Klamath
Recorded 11/27/00, at 9:56 a m.
In Vol. M00 Page 42418
Linda Smith,
County Clerk Fee \$ 31.00