

TRUST DEED

LESTER H. HUBBARD, SR. & GLENNICE A. HUBBARD, husband and wife
of Klamath County

KENNETH KINSMAN & LINDA KINSMAN, husband and wife or the survivor

.....
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:

The North 40 feet of the South 80 feet of Lots 702 and 703 in Block 104, MILLS ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Account No 3809 033DB 04700

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of SIXTEEN THOUSAND AND NO/100 with interest thereon according to the terms of a promissory

SIXTEEN THOUSAND AND NO/100 *****
sum of \$***** Dollars, with interest thereon according to the terms of a promissory
note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if
not sooner paid, to be due and payable February 1, 2004 *****
The date of this instrument is the date, stated above, on which the final installment of said note was sold, agreed to be

note of even date herewith, payable to _____, XXXXXXXX
not sooner paid, to be due and payable _____ February 1, 2004, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary. Then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

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

2. To building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property;

4. To pay all taxes and assessments due or to be due pursuant to the Uniform Commercial Code as the same may be levied or assessed against the property, and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by said officers or searching agencies as may be deemed desirable by the beneficiary.

5. To maintain and maintain insurance on the buildings

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, for an amount not less than \$..... insurance value....., in an amount acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to place within fifteen days prior to the expiration of said policies to the beneficiary all policies so placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount the beneficiary may procure under the same or other insurance policy may be applied by beneficiary under any indebtedness secured hereby and in such order as beneficiary may determine or at option of beneficiary the entire amount so collected, or any portion thereof, may be released to grantor. Such application or collection shall not cure or waive any default or notice of default hereunder or invalidate any action taken pursuant to such notice.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to the beneficiary; should the grantor fail to make payments for any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing bonds or with funds with which to make such payment, the trustee shall, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights of the beneficiary; should the grantor, by failure to make such payments, constitute a breach of any of the covenants hereof and for such payment with interest as aforesaid, the propo- nents hereinbefore described shall as the grantor, shall be bound to the same extent as the grantor are bound for the payment of the obligation herein secured, and all such payments shall be immediately due and payable with interest thereon, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed and all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed and all expenses of this trust including the cost

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

in connection with or in enforcing this contract, or in fees actually incurred. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment rendered by the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, less expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by grantor upon any reasonable costs and expenses and attorney's fees, both at the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied or paid to beneficiary secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of said property; (b) join in

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The trustee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

[illegible]

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. The trust deed events if the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to foreclose and cause to be recorded his written notice of sale, and his election shall fix the time and place of sale. The trustee shall give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

notice thereof as their required notice under ORS 86.735 to 86.795, in the manner provided in ORS 86.735 to 86.795. If the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so providing notice under ORS 86.735, may cure the default or defaults. If the default or defaults are cured by paying the sums secured by the debt or debts at the time of the cure other than such portion of the sums secured by the debt or debts as the trustee is capable of curing, then no default had no default occurred. Any other default or defaults required under the deed may be cured by tendering the sums secured by the debt or debts 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 deed and 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 or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in several parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of auction, by bill of lading, warehouse receipt or other document conveying title deliver to the purchaser its deed in writing, express or implied, in the property so sold. No covenant or warranty, express or implied, shall be made by the trustee in the deed of fact shall be conclusive evidence of the truthfulness thereof. Any person, excluding the trustee, but including

15. When trustee sells pursuant to the power of sale provided herein, trustee shall apply the proceeds of sale in the following order: (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by the trustee for his services; (2) to the obligation secured by the trust deed; (3) to the persons named in the deed as beneficiaries of the trust; (4) to the trustee in the trust having recorded liens subsequent to the date of the recording of the trust deed as his interest 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, with or without conveyance to the successor trustee, the trust shall be vested with all title, powers and duties herein upon any trustee herein named or appointed hereunder. Such appointment and substitution shall be made by a written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the real property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this 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 sale under any 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.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

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 (see Important Notice below),
(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 the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this 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, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the 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; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,

County of Klamath } ss.

This instrument was acknowledged before me on February 7, 1989, by

Lester H. Hubbard, Sr & Glennice A. Hubbard

Glennice A. Hubbard
Notary Public for Oregon

(SEAL)

My commission expires: 6-16-92

STATE OF OREGON,

County of } ss.

This instrument was acknowledged before me on 19____, by

as

of

Notary Public for Oregon

My commission expires:

(SEAL)

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____, 19____

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(FORM No. 881)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Hubbard

929 Owens

Klamath Falls, OR 97601

Grantor

Kinsman

P.O. Box 7580

Klamath Falls, OR 97602

Beneficiary

AFTER RECORDING RETURN TO

MTC

407 Main

Klamath Falls, OR 97601

SPACE RESERVED

FOR

RECORDER'S USE

Fee \$13.00

STATE OF OREGON,

County of Klamath } ss.

I certify that the within instrument was received for record on the 3rd day of Feb., 1989, at 10:01 o'clock AM., and recorded in book/reel/volume No. M89 on page 2155 or as fee/file/instrument/microfilm/reception No. 96707, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By *Debbie M. Mendenhall* Deputy