

**TRUST DEED**

March....., 19 85, between

THIS TRUST DEED, made this

JOHN L. LUNDBERG

JOHN L. LUNDBERG, as Trustee, and  
 ASPEN TITLE & ESCROW, INC., an Oregon Corporation  
 as Grantor, MAARTEN W. FONTYN and BLOSSOM FONTYN, husband and wife with rights of survivorship

as Beneficiary,

**WITNESSETH:**

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"

THIS TRUST DEED IS A THIRD TRUST DEED AND IS BEING RECORDED THIRD AND JUNIOR TO A FIRST TRUST DEED IN FAVOR OF CARTER JONES COLLECTION SERVICE AND A SECOND TRUST DEED IN FAVOR OF KLAMATH BASIN COLLECTION.

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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office, this 12th day of January, 1900.

ATTEST: \_\_\_\_\_

RECORDED IN BOOK OF SECURING PERFORMANCE OF EACH AGREEMENT OF GRANTOR HEREIN CONTAINED AND PAYMENT OF THE SAME, PAGE 12/100.

FOR THE PURPOSE OF SECURING PERFORMANCE OF THE OBLIGATIONS OF THE FIRST PARTY TO THE SECOND PARTY, the sum of TWO THOUSAND ONE HUNDRED TWENTY SEVEN AND 12/100 Dollars, with interest thereon according to the terms of a promissory note dated 12/10/1986 and made by grantor, the final payment of principal and interest hereof, if any, is hereby acknowledged.

note of even date herewith, payable to beneficiary or order and made by grantor, the sum of \$2,121.12 March 25, 1986  
not sooner paid, to be due and payable on the date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note  
of the maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note is sold, agreed to be  
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The date of maturity of the debt secured by this instrument is the date, state, and county of the above described property, or any part thereof, or any interest therein is 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.

The above described real property is not

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

To preserve and maintain said property in good condition and to improve there

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

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property. In good and workmanlike manner, to construct, maintain, repair, replace or restore promptly and at grantor's expense any building or improvement on the property that is constructed, damaged or destroyed by fire, flood, wind, earthquake, or other cause, and to replace or restore promptly and at grantor's expense any building or improvement on the property that is constructed, damaged or destroyed by fire, flood, wind, earthquake, or other cause, and to replace or restore promptly and at grantor's expense any building or improvement on the property that is constructed, damaged or destroyed by fire, flood, wind, earthquake, or other cause.

2. To complete or restore promptly and in good and workmanlike manner any 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 the property; if the beneficiary shall request, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary; and to continuously maintain insurance on the buildings owned by the beneficiary against loss or damage by fire.

proper public officer or searching agencies as may be deemed  
beneficiary.

To provide and continuously maintain insurance on the building  
now or hereafter erected on the said premises against fire or damage by fire,  
and such other hazards as the beneficiary may from time to time require, in  
an amount not less than \$100,000.00 insurable value; the latter; all  
companies acceptable to the beneficiary, with loss payable as soon as insured  
policies of acceptance shall be delivered to procure any such insurance and to  
if the grantor shall fail for any reason to procure any such insurance prior to the expiration  
of said policies to the beneficiary at least fifteen days prior to the expiration  
of any policy of insurance now or hereafter placed on said building, the amount  
of any policy of insurance at the same at grantor's expense, shall be paid by beneficiary.  
The beneficiary may procure any other insurance policy may be ordered as beneficiary  
collected under any such indebtedness secured hereby and 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 notices free from construction liens and to pay

any part thereof, may be treated as a notice of default hereunder and shall not cure or waive any default or notice of default hereunder or any act done pursuant to such notice.

act done pursuant to such notice.

5. To keep said premises free from construction liens and other claims against them, the grantor shall 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 beneficiary; should the grantor fail to make payment of any taxes, assessments or other charges payable by grantor, either directly or indirectly, to beneficiary; should the grantor have any judgments, debts, obligations, mortgages, insurance premiums, liens or other charges payable by grantor, either directly or indirectly, to beneficiary with funds with which he could satisfy such obligations, or by providing beneficiary option make payment thereof

[illegible]

6. To pay all costs, fees and expenses of the trustee incurred of title search as well as the other costs and expenses of the trustee in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred, in and defend any action or proceeding purporting to affect the title to the property of the trust; and in any suit or

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any action or proceeding in which the beneficiary or trustee may appear, including any suit for the enforcement of this deed, to pay all costs and expenses, including attorney's fees mentioned in this paragraph 7 in all cases shall be the duty of the grantor, and in the event of an appeal from any judgment rendered in the trial court, grantor or trustee agrees to pay such sum as the court shall determine to be reasonable as the beneficiary's or trustee's fees on such appeal.

8. It is mutually agreed that: In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall be paid under the right of eminent domain or condemnation, the full amount of monies payable, right, if it so elects, to require that all or any portion of the amount required as compensation for such taking, which are in beneficiary's fees necessarily paid as compensable costs, expenses and shall be paid to beneficiary to pay all reasonable costs, expenses and shall be paid to beneficiary by grantor in such proceedings and compensable costs and attorney's fees incurred by grantor in such proceedings, necessarily paid upon the indebtedness applied by it first upon any appellate courts, necessarily paid upon the indebtedness both in the trial and appellate proceedings, and the balance applied and paid to beneficiary in such proceedings, and the balance applied and paid to take such action as secured hereafter; and grantor agrees, at all times necessary in obtaining such action, to execute such instruments as beneficiary's request.

9. At any time and from time to time upon written request or compensation, promptly upon beneficiary's request, the donor shall execute and deliver to the beneficiary a deed of release, discharge, exoneration and satisfaction of the deed of gift, payment of its fees and presentation of this deed and the non-endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee

[illegible]

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person or 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 in its own name sue or otherwise collect the same and any or any part of the amounts past due and unpaid and apply the same to the issues and profits, including those past due and unpaid, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entry 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 any default or constitute a waiver of any default 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, the beneficiary or beneficiaries of this trust shall have the right to foreclose this trust deed and declare all sums due hereby immediately due and payable. In such event the beneficiary at his election may proceed to foreclose this trust deed and sell the property as a mortgage or direct the trustee or trustees of this trust to advertise and sell. In the last event the beneficiary or beneficiaries of this trust shall execute and cause to be recorded a written notice of default and of the right to sell the property described real property to satisfy the obligations secured hereby. Whereupon the trustee shall fix the time and place of sale, give notice of sale and sell the property as a mortgage or direct the trustee to foreclose this trust deed as then required by law and pay the proceeds of sale to the grantor and

herely, whereupon the trustee shall proceed to foreclose this trust deed thereof as then required by ORS 86.740 to 86.795.

The manner provided by ORS 86.740 for advertisement and

13. Should the beneficiary elect to foreclose before the date set by then after default at any time prior to five days after the person so privileged trustee or other person so privileged or his successors in interest and ORS 86.760, may pay to the trustee or under the terms of the instrument actually incurred thereby (including costs and expenses) and attorney's fees not obligation set forth therein due under the terms of the instrument actually incurred thereby (including the obligation and expense of such portion thereof exceeding the amounts provided for by other than such portion thereof principal as would not then due had no default occurred, whereby the principal amount of the debt even all foreclosure proceedings shall be dismissed.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the trustee may sell said property or any part thereof in one or more parcels and shall sell the parcel or parcels so sold at public auction to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser its deed in form as required by law conveyed with all covenants and warranty, express or implied. The recitals in the deed shall be true and correct and the property so sold, but without any matters of fact shall be conclusively presumed to be true and correct. Any person, excluding the trustee, but including the trustee's attorney, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, it shall apply the proceeds of sale to payment of (1) the expenses of sale, (2) the compensation of the trustee and his reasonable charge by way of honorarium, (3) to the obligation secured by the trust deed, (4) to all other claims against the trust estate in the interest of the trustee in the order of priority stated above, and (5) if there is a surplus, to the grantor or to his successor in interest entitled thereto as their interest may appear in the order of their priority and deemed as such, if any, to the grantor or to his successor in interest entitled thereto as their interest may appear in the order of their priority.

16. For any reason permitted by law beneficiary may from time to time appoint a successor or successors to any trustee named herein or time appoint a successor or successors. Upon such appointment, and conveyance to the successor trustee, the latter shall be vested with all powers and duties conferred upon and substitution shall be made by him in and to the trustee named herein. Each such appointment and substitution shall be made by a written instrument executed by beneficiary, containing reference to the instrument executed by him, when recorded in which, when recorded in which, the property is a and its place of record in the county or counties in which the property is a Clerk or Recorder of the county or counties in which the property is a conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed by Clerk or Recorder of the county or court of record, is filed and shall be conclusive proof of proper appointment of the successor trustee.

18. Trustee is made a public record as provided by law. Trustee is obligated to notify any party hereto of pending sale under any other trust or of any action or proceeding in which grantor, beneficiary or trustee is a party unless such action or proceeding is brought by trustee.

9. At any time the Trustee, in its sole discretion, may, without affecting its obligation to the beneficiary, payment of its fees and presentation of title insurance (or cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may shall be a party unless such party is a party to the deed.

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, household or agricultural purposes (see Important Notice below),  
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural 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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, 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.  
March 22, 19 85.

Personally appeared the above named  
John L. Lundberg

I, Susan G. Creel, do hereby acknowledge the foregoing instrument to be his voluntary act and deed.  
Before me:  
(OFFICIAL SEAL) Notary Public for Oregon  
My commission expires: 6-21-88

STATE OF OREGON, County of ) ss.  
19

Personally appeared and  
who, each being first  
duly sworn, did say that the former is the  
president and that the latter is the  
secretary of

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.  
Before me:

Notary Public for Oregon

(OFFICIAL SEAL)

My commission expires:

#### 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.

John L. Lundberg

Grantor

Maarten W. Fontyn

Blossom Fontyn

Beneficiary

AFTER RECORDING RETURN TO  
ASPEN TITLE & ESCROW, INC.

SPACE RESERVED

FOR

RECORDER'S USE

STATE OF OREGON,

County of ) ss.

I certify that the within instrument was received for record on the day of 19, at o'clock M., and recorded in book/reel/volume No. on page or as fee/title/instrument/microfilm/reception No. Record of Mortgages of said County. Witness my hand and seal of County affixed.

NAME

TITLE

By Deputy

## EXHIBIT "A"

A portion of Lot 73 of FAIR ACRES SUBDIVISION NO. 1, in the County of Klamath, State of Oregon, described as follows:

Beginning at the  $\frac{1}{2}$ " iron pipe marking the Southeasterly corner of said Tract 73 of Fair Acres Subdivision #1; thence North 329 feet to the Northeast corner of said Tract 73; thence West along the North boundary of said tract to a point which is 500 feet East of the Northwest corner of Tract 73; thence running South at right angles to the North line of said tract, a distance of 329 feet, more or less to the South boundary of Tract 73; thence East along the Southerly boundary to the point of beginning.

## LESS AND EXCEPT

Beginning at a point on the North line of Tract 73 of Fair Acres Subdivision NO. 1, which point is 500 feet East of the Northwest corner of said tract; thence running South at right angles to North line of said tract a distance of 100 feet; thence East parallel to North line of said Tract 73 a distance of 100 feet; thence North at right angles to said North line a distance of 100 feet; thence West along said North line a distance of 100 feet to point of beginning, being a portion of said Tract 73.

STATE OF OREGON, )  
County of Klamath )  
Filed for record at request of

on this 25th day of March A.D. 19 85  
at 11:10 o'clock A M, and duly  
recorded in Vol. M85 of Mortgages  
Page 4327

**EVELYN BIEHN**, County Clerk

By *[Signature]* Deputy

Fee 13.00