

THIS TRUST DEED, made this 7th day of January 1981, between  
Ralph J. Cardone and Wendy S. Cardone, husband and wife.

as Grantor, **Frontier Title & Escrow Co.**  
**James E. Crum and Lois L. Crum, husband and wife.**

as Beneficiary, **WITNESSETH** that said Grantor irrevocably grants, bargains, sells and conveys to trustee in trust with power of sale, the property described as:

Lot 14, Block 2, as shown on the map entitled "KLAMATH RIVER SPORTS-  
MAN'S ESTATES" filed in the office of the County Clerk, Klamath County,

Subject, however, to the following:

1. Covenants, easements and restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms thereof, as recorded in the TULSA instrument recorded May 6, 1968 Volume M68 of Page 4084, Klamath County Microfilm Records.

and all other restrictions, covenants, easements and restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms thereof, as recorded in the TULSA instrument recorded May 6, 1968 Volume M68 of Page 4084, Klamath County Microfilm Records.

20 feet

2. Set back provisions as delineated on the recorded plat,  
(continued on reverse side of this document)  
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 con-  
nection with said real estate.

sum of Forty-six Thousand and No/100ths 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 January 7, 19 83

note of even date herewith, payable to beneficiary as follows: January 7, 1983.  
not sooner paid, to be due and payable January 7, 1983.  
The date of maturity of the debt secured by this instrument is the date, 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.  
This property is not currently used for agricultural, timber or grazing purposes.

[illegible][illegible]

4. To provide and continuously maintain insurance on the building 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 be liable in an amount not less than \$100,000 insurable by the latter; all companies 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 procure any such insurance and to it the grantor shall be liable; and the beneficiary shall be entitled to the expiration of the insurance to the beneficiary at least fifteen days prior to the expiration of the term of the insurance on said buildings, to cause the same to be renewed on said buildings, and to pay the same as the beneficiary may determine.

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 and payable, in such event the beneficiary may proceed to foreclose this trust deed and sell the property in equity as a mortgagor or direct the trustee to foreclose this trust deed in equity as a mortgagee and sale. In the latter event the beneficiary shall have no obligation to execute and cause to be recorded his written consent to satisfy the obligations secured by this deed and to sell, said described real property at the time and place of sale, give notice pursuant to such notice.

[illegible][illegible]

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 and attorney's in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

to appear in and defend any action brought by the grantor or trustee; and in any suit affecting the security rights or powers of beneficiary or trustee may appear, including action or proceeding in which the beneficiary or trustee may be a party, and may be a party to any suit for the enforcement of this deed, to pay all costs and expenses, including attorney's fees; the beneficiary or trustee shall be entitled to a credit for the amount of attorney's fees mentioned in the foregoing 7, in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, the grantor further agrees to pay such sum as the appellate court shall determine to be a reasonable fee of the beneficiary or trustee's attorney, if any, in such appeal.

16. For any reason permitted by law 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 with the approval of the court, the successor trustee, the latter shall be vested with all the powers and duties conferred upon any trustee and substitution shall be made by word hereunder. Each such appointment of a beneficiary, containing reference to this trust instrument, shall be filed in the place of record, which, when recorded in the office of the Clerk or Recorder of the county or counties in which the property is situated, shall constitute a public notice of the appointment of the successor trustee.

[illegible]

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 696.510.

of, serving, or otherwise connected with, the business, industry, occupation, profession, or service of this state, its subsidiaries, affiliates, agents, or employees.

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 they are lawfully seized in fee simple of said described property and have a valid, unencumbered title thereto.

continued from front side - legal description:  
from the Northern lot line.

3. Utility easements as delineated in the dedication of plat along the Southern, Western and Eastern 8 feet.

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) 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.)

*Ralph J. Cardone*  
Ralph J. Cardone

*Wendy S. Cardone*  
Wendy S. Cardone

STATE OF OREGON,  
County of Klamath  
January 19 81  
Personally appeared the above named  
Ralph J. Cardone and  
Wendy S. Cardone, husband  
and wife,

STATE OF OREGON; County of Klamath  
19  
Personally appeared \_\_\_\_\_ of \_\_\_\_\_ and \_\_\_\_\_  
duly sworn, did say that the former is the  
president and that the latter is the secretary of

and acknowledged the foregoing instrument to be his voluntary act and deed.  
Before me,  
Notary Public for Oregon  
My commission expires: 5-6-84

a corporation, and that the seal attixed 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  
My commission expires:

TO:  
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 81  
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.