

DAVID M. ELDER AND GILBERT S. ELDER

to KEY TITLE AND ESCROW COMPANY, hereafter "Grantor," irrevocably grants, bargains, sells, and conveys  
 ing property in KLAMATH County, Oregon, more particularly described as:

SEE EXHIBIT "A"

together with all and singular the hereditaments, tenements and appurtenances and all other rights 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

TO SECURE PERFORMANCE of the Grantor's obligation under this agreement and for the payment of SEVENTY-SIX THOUS. EIGHT HUN. THIRTY-THREE Dollars, (\$ 76,833.00) with interest thereon according to the terms of a promissory note dated JANUARY 18, 1984, on which The Prineville Bank, hereafter "Beneficiary," is the payee and Grantor is the maker, the final payment of principal and interest on which, if paid according to its terms, will be made on JULY 18, 1984.

The date of maturity of the debt secured by this instrument is that same date. If the property described herein or any part thereof or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the Grantor without obtaining the prior written consent of the Beneficiary, such a sale, conveyance, assignment, alienation or transfer shall be null and void and, at the sole option of the Beneficiary, without need of further notice, all obligations secured by this instrument, irrespective of any maturity dates expressed in this document or in the note shall become immediately due and payable.

Grantor warrants that the real property described hereon is not currently used for agricultural, timber or grazing purposes.

Until this Deed of Trust is reconveyed according to its terms, Grantor agrees:

1. To protect, preserve and maintain the property and any additions or improvements thereon made hereafter in condition and repair and not to remove or demolish any improvement or fixture upon the property nor to commit any waste of the property.

2. To repair or restore promptly, in good and workmanlike manner, any improvements which are now or may hereafter be constructed which shall become damaged or destroyed and pay immediately when due all costs incurred therefor.

3. To comply with all laws, regulations, ordinances, covenants, conditions, restrictions, statutes and rules affecting the property secured hereby and, if requested by the Beneficiary, to execute any and all financing statements requested pursuant to the Uniform Commercial Code as adopted in Oregon and to pay for the filing of such, as required by law, to perfect the security interest of the Beneficiary in any personal property located on the property secured by this agreement.

4. To provide and continuously maintain insurance on the improvements located now and in the future on the said premises against loss or damage by fire or other casualty companies acceptable to the Beneficiary, with loss payable clauses so that any loss thereunder will be payable first to the Beneficiary and then to the Grantor as their interest shall appear. These policies of insurance shall be delivered to the Beneficiary upon execution hereof.

If Grantor fails to obtain and maintain such insurance coverage, Beneficiary may do so without notice and Grantor shall be obligated for all costs thereof. Any proceeds thereof shall be first applied to the indebtedness secured hereby.

5. To keep the premises free from construction liens and to pay all taxes, assignments, levies or other charges for any improvement thereon before any part of such taxes, assignments or other charges shall become past due or delinquent and to promptly deliver receipt therefor to the Beneficiary; should the Grantor fail to make such payment, Beneficiary may, without notice, make payment thereof and the amount so paid, with interest at the rate set forth in the note secured hereby shall be added to the amount due hereunder. All amounts shall immediately become due and payable without notice and nonpayment thereof shall, at the sole option of the Beneficiary, render all sums secured by this Trust Deed immediately due and payable and constitute a breach of this Trust Deed.

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

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of the Beneficiary or Trustee; and in any suit, action or proceeding in which Beneficiary or Trustee may appear, including any foreclosure of this deed, to pay all actual costs and expenses, including costs of title search, title insurance and the Beneficiary or Trustee's attorney fees.

As part and in consideration of the other covenants contained herein, all parties hereto agree:

8. In the event that any portion or all of the property shall be taken under right of eminent domain or condemnation or by the government in any way, Beneficiary shall have the right, if elected by the Beneficiary, without notice to the Grantor, to require that all or a portion of the monies payable for compensation for such taking shall first be applied to pay all reasonable costs, expenses and attorney's fees paid and incurred by the Grantor and the Beneficiary in such proceedings and any remaining sums be applied first upon the indebtedness secured hereby and any sums due hereunder. Grantor agrees, at Grantor's sole expense, to take any action necessary and execute all instruments necessary to obtain such compensation promptly upon request of the Beneficiary which need not be in writing.

9. Upon written request of Beneficiary, payment of the Trustee's fees and presentation of this deed and note for endorsement (in case of full reconveyance 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 the granting of any easement or creating any restriction thereon; (c) join in the subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all and any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereof," and the recitals therein of any matter or facts are agreed by the Grantor to be conclusive proof of the truthfulness thereof. Grantor shall pay all expenses and fees for reconveyance. Trustee's fees shall not be less than \$5.00.

10. Upon any default by the Grantor hereunder, Beneficiary may at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured enter upon and take possession of the property described herein, the improvements thereon or any part of either in Beneficiary's own name, sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney fees upon any indebtedness secured hereby or obligation of the Grantor hereunder in such order as the Beneficiary in his sole discretion may absolutely determine.

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

12. Upon default of the Grantor and payment of any indebtedness secured hereby or in his performance of any agreement hereunder or in the event the Beneficiary should, in the Beneficiary's sole discretion, deem itself to be insecure, Beneficiary may without need for notice proceed to foreclose this Trust Deed in equity as a mortgage or direct the Trustee to foreclose this deed by advertisement and sale in accordance with the statutes of State of Oregon. In the latter event, the Beneficiary or the Trustee shall execute and cause to be recorded the written notice and the election of the Beneficiary to sell the described real property together with the improvements thereon and all other things conveyed hereunder to satisfy the obligations secured hereby and due hereunder. In which case the Trustee shall fix time and place and sale, give notice thereof as then required by law and proceed to foreclose this Trust Deed in the manner provided in the statutes of the State of Oregon.

13. Should the Beneficiary elect to foreclose by advertisement and sale, after default and any time prior to five (5) days before the date set by the Trustee for the Trustee's sale, the Grantor or any other person so privileged under the statutes of the State of Oregon may pay to the Beneficiary or Beneficiary's successors in interest, respectively, the amount due under the terms of the Trust Deed and the obligation secured thereby (including all costs and expenses actually incurred in enforcing the terms of this obligation and limited to Trustee's and attorney's fees) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which case all foreclosure proceedings will be dismissed by the Trustee.

14. Otherwise, the sale of the property and improvements shall be held upon the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed in the manner provided by law. The Trustee may then sell the property either in one parcel or in separate parcels, at the Trustee's sole discretion, and shall sell the parcel or parcels at auction to the highest bidder for cash, payable in cash at the time of the sale. Trustee shall deliver to purchaser Trustee's deed in the form required by statute conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed on any matters of fact shall be conclusive proof of the truthfulness thereof. Any person excluding the Trustee, but including the Grantor and Beneficiary, may purchase at the sale.

15. When the Trustee sells pursuant to the powers provided herein, Trustee shall apply the proceeds of sale to the payment of (1) the expenses of sale, including the compensation of the Trustee and all actual attorney's fees and costs and expenses incurred in the sale of the property, (2) to the obligation secured by the Trust Deed, (3) to all persons having recorded liens subsequent to the interest of the Trustee and the Trust Deed as their interest may appear in order of their priority and (4) the surplus, if any, to the Grantor or Grantor's successors in interest entitled to such surplus. Provided, however, that the Grantor shall hold harmless and defend the Trustee from any misapplication of the funds or the proceeds of sale.

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 or Trustee appointed hereunder. Upon such appointment and without conveyance to the successor Trustee, the latter shall be vested with all the title, powers and duties conferred upon any Trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by the Beneficiary, containing reference to this Trust Deed and its place of record, and such document shall, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated, be conclusive proof of proper appointment of the successor Trustee.

17. The 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 other deed of trust or of any action or proceeding in which the Grantor, Beneficiary or Trustee shall be a party unless such action or proceeding is brought by the Trustee.

18. The Grantor covenants and agrees to and with the Beneficiary and those claiming under him and warrants that the Grantor is lawfully seized in fee simple of the described property set forth on herein and has a valid unencumbered title thereto.

The Grantor agrees to warrant and forever defend the same against all persons whatsoever.

Grantor agrees not to sell or transfer in any way all or any part of his interest hereunder without the prior written consent of the Beneficiary which may require a change in terms of the note hereunder as a condition of such written consent which consent may be granted or withheld at the sole option of Beneficiary.

19. 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,

(b) for an organization, or (even if the Grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

84 FEB 29 1984

This deed applies to and inures to the benefit and binds all parties hereto, their heirs, legatees, devisees, administrators, executives, personal representatives, successors and assigns.

In construing this deed whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular includes the plural and all grammatical changes shall be made to carry this construction into effect.

IN WITNESS WHEREOF, at LARINE, Oregon, on this 18 day of JANUARY, 19 84, the Grantor has hereunto set hand and seal.

Gilbert S. Elder (SEAL)  
David M. Elder (SEAL)  
 \_\_\_\_\_ (SEAL)

STATE OF OREGON,

County of DESCHUTES } ss.

JANUARY 18, 19 84.

Personally appeared the above named  
GILBERT S. ELDER

AND

DAVID M. ELDER

and acknowledged the foregoing instrument to be THEIR voluntary act and deed.

Before me:

(OFFICIAL SEAL)

Frances L. Thompson  
 Notary Public for Oregon

My commission expires: 4-29-85

STATE OF OREGON, County of DESCHUTES } ss.

JANUARY 18, 19 84.

Personally appeared GILBERT S. ELDER and DAVID M. ELDER who, each being first duly sworn, did say that the former is the PRESIDING ELECTED president and that the latter is the PRESIDING ELECTED secretary of ELDER LOGGING CO., INC.

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:

Frances L. Thompson  
 Notary Public for Oregon

My commission expires: 4-29-85

#### 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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

MOUNTAIN TITLE CO., INC.

SPACE RESERVED  
 FOR  
 RECORDER'S USE

STATE OF OREGON, } ss.  
 County of \_\_\_\_\_

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 document fee/file/instrument/microfilm No. \_\_\_\_\_.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By \_\_\_\_\_ Deputy

## EXHIBIT A

## DESCRIPTION

The E-SE-1/4 of Section 24, Township 23 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and all that portion of the SW-1/4 of Section 24, lying West of the Westerly right of way line of the Dalles-California Highway No. 97, as the same is now located, EXCEPT that portion thereof included in the description in Deed from Harry E. Ayres and Susie M. Ayers to Margaret E. Clifford and Nancy Ellen Clifford, dated April 21, 1950, recorded November 25, 1950 in Volume 243, page 479, Deed Records of Klamath County, Oregon. ALSO EXCEPT that portion thereof described in Deed from Harry E. Ayers and Susie M. Ayres to Herman Lee Roland and Geneva Helen Roland, dated July 1, 1957, recorded July 9, 1957 in Volume 293, page 2, Deed Records of Klamath County, Oregon.

STATE OF OREGON, )

County of Klamath )

Filed for record at request of

on this 3rd day of Feb. A.D. 19 84  
 at 1:59 o'clock P M, and duly  
 recorded in Vol. M84 of Mortgages  
 Page 1838.

EVELYN BIEHN, County Clerk

By Pam Smith DeputyFee 12.00