

TRUST DEED

July 15, 1979

This Trust Deed is between PHILIP C. DIMICK and CYNTHIA A. DIMICK, husband and wife, as Grantor, McCOBB & ORCUTT, Attorney's at Law, as Trustee, and DON B. RICE and ALINE G. RICE, husband and wife, as Beneficiary. The Grantor hereby conveys to the Trustee, in trust, with power of sale, the property in Klamath County, Oregon, described on Exhibit "A" attached hereto and made a part hereof, together with all hereditaments and appurtenances and all other rights pertaining thereto. Said real property is not currently used for agricultural, timber or grazing purposes.

1. PROMISSORY NOTE: This Trust Deed is intended to secure the payment of a promissory note, a true copy of which is attached as Exhibit "B".

2. FINAL PAYMENT: The final payment of principal and interest thereon, if not sooner paid, is due and payable on August 15, 1989.

3. COVENANT OF GRANTOR: Grantor hereby covenants to and with the Trustee and the Beneficiary that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto.

4. PROTECTION OF SECURITY BY GRANTOR: Grantor shall: (a) pay said note according to the terms thereof; (b) pay all taxes, assessments and other charges which may be levied or assessed against said property when due; (c) promptly discharge any liens against said property which are superior to the lien of this trust deed; (d) keep the buildings now on or which may hereafter be erected on the premises insured in favor of the Beneficiary against loss or damage by fire, with extended coverage, in the sum of at least \$15,000 in a company acceptable to the Beneficiary, naming Beneficiary as an additional insured as his interest may appear; (e) keep all buildings and improvements on said premises in good repair and not permit any waste of the premises.

5. TRUSTEE: Upon written request of the Beneficiary, the 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 hereof; (d) reconvey, without warranty, all or any part of the property. The grantee 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 in this paragraph shall be in an amount fixed by statute, if there be a statute governing the same, or otherwise a reasonable amount.

6. DEFAULT: Time is of the essence of this Trust Deed. Upon default by the Grantor in the payment of said note or in the performance of any covenant herein, the Beneficiary may declare all sums secured hereby immediately due and payable. In such event, 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. In the latter event, the Beneficiary or the Trustee shall execute and cause to be recorded his written notice of default and his election to sell the described real property to satisfy the obligation secured by this Trust Deed. The Trustee shall thereupon fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this Trust Deed in the manner prescribed in ORS Chapter 86.

If the Beneficiary should elect to foreclose by advertisement and sale, then at any time prior to five days before the date set by the Trustee for the sale, the Grantor or other person so privileged under ORS 86.760, may cure the default by paying to the Beneficiary or his successors in interest, respectively, the entire amount then due under the terms of this Trust Deed and the note secured hereby, (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50.00 each) other than such portion of the principal as would not then be due had no default occurred. In such event all foreclosure proceedings shall be dismissed by the Trustee.

Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The Trustee may sell said property either in one parcel or separate parcels and shall sell the parcel or parcels at 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

conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of 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.

When the Trustee sells pursuant to the powers provided herein, Trustee shall apply the proceeds of sale to payment of (a) the expenses of sale, including the compensation of the Trustee and a reasonable charge by Trustee's attorney; (b) to the obligation secured by the Trust Deed; (c) to all persons having recorded liens subsequent to the interest of the Trustee in the Trust Deed as their interests may appear in the order of their priority; and (d) the surplus, if any to the grantor or to his successor in interest entitled to such surplus.

7. SUCCESSOR TRUSTEE: 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 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. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Trust Deed and its place of record, which when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated, shall be conclusive proof of property appointment of the successor trustee.

8. ACCEPTANCE BY TRUSTEE: The Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. The 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 Grantor, Beneficiary or Trustee shall be a party unless such action or proceeding is brought by Trustee.

9. BENEFIT: This Trust Deed inures to the benefit of and binds the parties hereto, their heirs, successors and assigns.

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

DATED this 15 day of July, 1979.

Philip C. Dimick  
Philip C. Dimick

Cynthia A. Dimick  
Cynthia A. Dimick

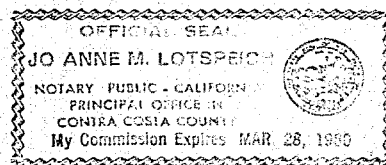
STATE OF OREGON )  
                   *California*  
                   *Contra Costa* ) ss.  
 County of ~~Klamath~~ )

On this 2nd day of August, 1979, personally appeared the above named PHILIP E. DIMICK and CYNTHIA A. DIMICK, who are known to me to be the identical individuals described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily.

Before me:

*Jo Anne M. Lotspeich*  
 NOTARY PUBLIC FOR OREGON *California*

My Commission Expires: 3/28/80



Lots 14B and 16B according to the  
Supplemental Plat of Lots 14, 15  
and 16 in Block 9 of FIRST ADDITION  
TO CHILOQUIN, in the County of  
Klamath, State of Oregon.

18873

PROMISSORY NOTE

\$11,000

July , 1979  
Klamath Falls, Oregon

FOR VALUE RECEIVED, PHILIP C. DIMICK and CYNTHIA A. DIMICK, husband and wife, Maker, jointly and severally promise to pay to DON B. RICE and ALINE G. RICE, husband and wife, Holder, or their order, at Klamath Falls, Oregon the sum of \$11,000 with interest on the unpaid principal at the rate of 8 1/2% (eight and one half percent) per annum in monthly installments of not less than \$136.36, including interest. The first of such installments shall be paid on or before August 15, 1979. All subsequent installments shall be paid on or before the same day of each succeeding month until the entire balance, including principal and interest, is paid in full, but in no event later than August 15, 1989. Each such installment shall be applied first to interest to the date of payment and the balance to principal. Interest shall commence on July 15, 1979.

Upon default of the payment of any such installment, the whole of the principal sum then remaining unpaid and all interest accrued thereon shall, at the option of the Holder of this note, become immediately due and payable upon demand. In addition, if a suit or action is filed to collect on this note, Maker agrees to pay Holder's reasonable attorney fees as shall be fixed by the Court at trial or on appeal.

This note is secured by a Deed of Trust of even date.

DATED this 2nd day of August, 1979.

Philip C. Dimick  
PHILIP C. DIMICK

Cynthia A. Dimick  
CYNTHIA A. DIMICK

*After recording return to:*  
*TA Branch*

STATE OF OREGON; COUNTY OF KLAMATH; ss..

I hereby certify that the within instrument was received and filed for record on the 8th day of August A.D., 1979 at 10:36 o'clock A M., and duly recorded in Vol. 1479 of Mortgages on Page 18868.

FEE \$21.00

WM. D. MILNE, County Clerk  
By Bernice A. Hetsch Deputy