

THIS MORTGAGE, Made this 20th day of October, 19 66, between  
AGENCY INVESTORS, INC., a Corporation,  
 duly organized and existing under the laws of the State of Oregon, hereinafter called the  
 Mortgagor, and THE BANK OF KLAMATH FALLS, hereinafter called the Mortgagee,  
 WITNESSETH, That said mortgagor, in consideration of Thirty Thousand and no/100  
(\$30,000.00) Dollars, to it paid by said mortgagee, does hereby grant, bargain,  
 sell and convey unto said mortgagee, his heirs, executors, administrators, successors and/or assigns, that certain  
 real property situated in Klamath County, State of Oregon, bounded and described as follows:

SW 1/4 SW 1/4 of Section 18, Township 34  
 South, Range 7 East of the Willamette  
 Meridian;

SE 1/4 SE 1/4, SW 1/4 NE 1/4 SE 1/4, SE 1/4  
 NW 1/4 SE 1/4 of Section 13, Township 34  
 South, Range 7 1/2 East of the Willamette  
 Meridian.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or  
 in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits  
 therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any  
 time during the term of this mortgage.

To Have and to Hold the said premises with the appurtenances unto the said mortgagee, his heirs,  
 executors, administrators, successors and/or assigns forever.

This mortgage is intended to secure the payment of a promissory note of which the  
 following is a substantial copy:

Klamath Falls, Oregon  
 October 20th, 1966

The undersigned corporation promises to pay to the order of the  
 BANK OF KLAMATH FALLS, Thirty Thousand and no/100 Dollars (\$30,000.00)  
 with interest thereon at the rate of Seven and one-half (7 1/2%) per annum  
 from date until paid, payable in monthly installments of not less than  
 Three Hundred and no/100 Dollars (\$300.00) in any one payment; interest is  
 included in the minimum payments above required; the first payment to be  
 made on the 15th day of November, 1966, and a like payment on the 15th day  
 of each and every month thereafter until the 15th day of October, 1971,  
 when the whole sum of both principal and interest then unpaid hereunder  
 shall be paid. If any of said installments is not paid, the whole sum of  
 both principal and interest is to become immediately due and collectible  
 at the option of the holder of this note. If this note is placed in the  
 hands of an attorney for collection, the undersigned promises and agrees  
 to pay the reasonable collection costs of the holder hereof; and if suit  
 or action is filed hereon, also promises to pay (1) holder's reasonable  
 attorney's fees to be fixed by the trial court and (2) if any appeal is  
 taken from any decision of the trial court, such further sum as may be  
 fixed by the appellate court, as the holder's reasonable attorney's fees  
 in the appellate court.

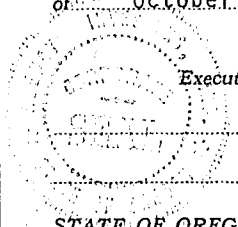
And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators, successors and/or assigns, that  
 it is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto

and will warrant and forever defend the same against all persons; that it will pay said note(s), principal and interest, accord-  
 ing to the terms thereof; that while any part of said note(s) remain(s) unpaid it will pay all taxes, assessments and other charges of  
 every nature which may be levied or assessed against said property, or this mortgage or the note(s) above described, when due and  
 payable and before the same may become delinquent; that it will promptly pay and satisfy any and all liens or encumbrances that  
 are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that it will keep the buildings  
 now on or which may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire in the  
 sum of \$100,000.00, in such company or companies as the mortgagee may designate, and will have all policies of insurance on said  
 premises made payable to the mortgagee as his interest may appear and will deliver all policies of insurance on said  
 premises to the mortgagee as soon as insured; that it will keep the buildings and improvements on said premises in good repair  
 and will not commit or suffer any waste of said premises.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note(s) according  
 to its (their) terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the per-  
 formance of all of said covenants and the payment of said note(s); it being agreed that a failure to perform any covenant here-  
 in, or if proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the  
 option to declare the whole amount unpaid on said note(s) or on this mortgage at once due and payable, and this mortgage may  
 be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or in-  
 surance premium as above provided for, the mortgagee may at his option do so, and any payment so made shall be added to and  
 become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note(s) without waiver, how-  
 ever, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and  
 all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. And if suit  
 be commenced to foreclose this mortgage, the attorney's fees provided for in said note(s) shall be included in the lien of this  
 mortgage.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators, successors and/or assigns of said mortgagor and of said mortgagee respectively.  
In case suit or action is commenced to foreclose this mortgage, the Court, may, upon motion of the mortgagee, appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.  
In construing this mortgage, it is understood that the mortgagee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, AGENCY INVESTORS INC. pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereunto affixed this 20th day of October, 19 66.

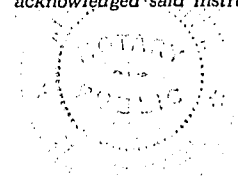


Executed in the Presence of

AGENCY INVESTORS, INC.  
By Jack H. Reynolds President  
By Ray O. Hobbs Secretary

STATE OF OREGON,

County of Klamath ss. On this 20th day of October, 19 66, before me appeared Jack H. Reynolds and Ray O. Hobbs both to me personally known, who being duly sworn, did say that he, the said Jack H. Reynolds is the President, and he, the said Ray O. Hobbs is the Secretary of AGENCY INVESTORS, INC. the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and Jack H. Reynolds and Ray O. Hobbs acknowledged said instrument to be the free act and deed of said Corporation.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.  
Robert Brown  
Notary Public for Oregon.  
My commission expires 10/4/68

MORTGAGE  
Corporation  
(FORM No. 75A)

TO

STATE OF OREGON,  
County of Klamath ss.

I certify that the within instrument was received for record on the 21st day of October, 19 66, at 2:51 o'clock P. M., and recorded in book N-66 on page 10183 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By Dorothy Rogers  
County Clerk-Recorder.  
\$3.00 pd. Deputy.  
STEVENS-NEES LAW PUB. CO., PORTLAND, ORE.

Bandy K Fall  
PO Box 1149  
City