[illegible] 37711 VOL [illegible] PAGE 10060

THIS MORTGAGE, Made [illegible] 10th [illegible] December [illegible] 1969
INVESTORS ACQUISITION CORPORATION, a California corporation, and BERT L. SWANSTON and SUZANNE E. SWANSTON, husband and wife,

WALTER J. LUCAS and ALICE J. LUCAS [illegible]

WITNESSETH, [illegible] Two Hundred Ten Thousand and no/100 [illegible] Dollars [illegible] all that certain real property situated in [illegible] County, State of [illegible], described as follows, to wit:

SEE EXHIBIT A ATTACHED
HERETO

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging [illegible] and the rents, issues and profits [illegible] 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 [illegible] heirs, executors, administrators and assigns forever.

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

SEE EXHIBIT B ATTACHED
HERETO

And said mortgagor covenants to and with the mortgagee [illegible] heirs, executors, administrators and assigns, that [illegible] seized in fee simple of said premises and has a valid, unencumbered title thereto [illegible]

[illegible]

[illegible] 154

10851

[illegible]

This is a purchase money mortgage.
There are additional terms and conditions which are an integral part of this mortgage which are hereto attached as Exhibit 1

IN WITNESS WHEREOF, said mortgagor has hereunto set [illegible] hand the day and year first above written.

INVERFORD ACQUISITION CORPORATION

By Gerald H. Davis

Burl L. Swanston

Suzanne L. Swanston

[illegible]

STATE OF CALIFORNIA

County of Sacramento

On this 19th day of December in the year one thousand nine hundred and sixty nine

before me, Anthony M. Kennedy, a Notary Public, State of California, duly commissioned and sworn, personally appeared

Burl L. Swanston and Suzanne L. Swanston

known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Sacramento the day and year in this certificate first above written.

Notary Public, State of California

ANTHONY M. KENNEDY

NOTARY PUBLIC - CALIFORNIA

[illegible] My Commission Expires [illegible]

STATE OF CALIFORNIA

County of Sacramento

On this 19th day of December in the year one thousand nine hundred and sixty nine

before me, Anthony M. Kennedy, a Notary Public in and for said County of Sacramento, State of California, residing therein, duly commissioned and sworn, personally appeared

Gerald H. Davis

known to me to be the President

of the corporation described in and that executed the within instrument and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Sacramento [illegible]

Notary Public [illegible]

ANTHONY M. KENNEDY

NOTARY PUBLIC - CALIFORNIA

SACRAMENTO COUNTY

[illegible]

The following described real property in Klamath County, Oregon:

In Township 11 South, Range 7 East of the Willamette Meridian:

PARCEL

1 Section 1 Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$ BUT EXCEPTING from Lot 2 Highway 97 right of way conveyed to the State of Oregon in Deed Book 190 at page 16.

2 Section 12 $NE\frac{1}{4}$, $SE\frac{1}{4}$

In Township 11 South, Range 8 East of the Willamette Meridian:

3 Section 5 $SW\frac{1}{4}$

4 Section 7 $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$, Lots 1 and 2 BUT EXCEPTING from said Lots 1 and 2 the portions thereof lying West of a line parallel to and 50 feet Easterly from the located center line of the Southern Pacific Company right of way.

5 Section 15 $SW\frac{1}{4}$, $W\frac{1}{2}NW\frac{1}{4}$

6 Section 17 $N\frac{1}{2}$, $SW\frac{1}{4}$

7 Section 20 ALL

8 Section 21 $W\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$

9 Section 28 $W\frac{1}{2}$

10 Section 29 ALL

11 Section 30 $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$

12 Section 31 $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$ of Lot 1, $E\frac{1}{2}SW\frac{1}{4}$ of Lot 2, $E\frac{1}{2}$ of $NW\frac{1}{4}SW\frac{1}{4}$, $E\frac{1}{2}$ of $SW\frac{1}{4}SW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$

13 Section 32 ALL

14 Section 33 $N\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$, $S\frac{1}{2}$

15 Section 34 $N\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$

In Township 12 South, Range 8 East of the Willamette Meridian:

16 Section 4 Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$

17 Section 5 Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$, those portions of Lots 3 and 4, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$ which lie Southerly and Easterly from the center line of Shrub [illegible] Williamson River [illegible]

10880

Continued

18	Section 6	Lots 1 and 2, [illegible], Lot 3, Lot 4 [illegible] EXCEPTING from said Lot 4 a parcel 417.42 feet by 400.71 feet described as Parcel 3 in Deed Book 311 at page 171, [illegible], Lots 6 and 7, that part of the [illegible] lying Southerly and Easterly of the center line or the thread of Williamson River.
19	Section 8	[illegible]

10884

PROMISSORY NOTE

$210,000.00 Klamath Falls, Oregon
September 1, 1969

FOR VALUE RECEIVED, INVESTORS ACQUISITION CORPORATION, a California corporation, and BERT T. SWANSTON and SUZANNE B. SWANSTON, his wife, promise to pay to WALTER J. LUCAS and ALICE J. LUCAS, or order, at 600 Main Street, Klamath Falls, Oregon, the sum of TWO HUNDRED TEN THOUSAND ($210,000.00) DOLLARS in the installments and at the times and in the amounts set forth below.

Commencing December 30, 1969, this note shall bear interest at the rate of 6-1/2% per annum on any unpaid balance. No interest shall accrue prior to December 30, 1969.

Interest shall cease upon any amounts credited to principal hereunder. If prepaid, precomputed interest, then unearned, will be abated.

Commencing December 30, 1969, and on December 30th of each year thereafter to and including December 30, 1978, annual payments of interest only shall be made in the sum of THIRTEEN THOUSAND SIX HUNDRED FIFTY ($13,650.00) DOLLARS for each payment. Said interest payment shall be credited to the interest to be owed for the calendar year following the year in which the interest payment is made. Commencing December 30, 1979, and on December 30th of each year thereafter to and including December 30, 1993, annual payments of FIVE THOUSAND ($5,000.00) DOLLARS on principal plus one year's prepaid interest on the unpaid balance of principal to be owed during the succeeding calendar year shall be paid. On December 30, 1994, the entire balance of unpaid principal and any interest then accrued on unpaid principal shall be due and payable.

Should default be made in payment of any installment when due and remain uncured thirty (30) days after written notice of default is given, the whole sum of principal and interest then due shall then become immediately due and payable at the option of the holder of this note. Principal and interest are payable in lawful money of the United States.

This note is secured by a purchase money mortgage.

This note may be prepaid in all or in part without penalty. Any prepayment designated as a payment of principal hereunder will be credited to the principal payment or payments then next due and owing.

In the event of default, the holders of this note are limited to the remedy of foreclosure under the purchase money mortgage securing same. The Payors are not liable for any deficiency and are not personally liable to pay any sums to the holders of this note.

This note and the purchase money mortgage securing the same are subject to the acreage release provisions and the subordination provisions set forth in said mortgage.

When final payment is tendered the holders shall deliver to Payors the note and the documents to satisfy and discharge the purchase money mortgage securing this note.

The undersigned acknowledge receipt of a copy of this note before signing the same.

1. Amount of note--Amount financed $210,000.00
2. FINANCE CHARGE (Interest from date to maturity) $245,375.00
3. Total of payments (1 + 2) $455,375.00
   No. of payments 25 ; ANNUAL PERCENTAGE RATE 9.5%

INVESTORS ACQUISITION CORPORATION

By: GERARD H. DAVIS

[illegible] T. SWANSTON

SUZANNE T. SWANSTON

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RIDER TO BE ATTACHED TO PURCHASE MONEY SECOND MORTGAGE

1. Mortgagor may at any time demand that Mortgagee deliver a certificate of release and discharge or quit claim deed suitable for recording, releasing any and all portions of the land described in Exhibit A from this mortgage, the portion of said land to be so released to be as described by Mortgagor, provided, however, that the parcels of property so released shall contain ten (10) acres or more and that Mortgagor shall have paid to Mortgagee total principal payments equivalent to ONE HUNDRED FIFTY ($150.00) DOLLARS per acre for each acre to be so released and provided further that Mortgagor not be in default of any of the terms of the note attached hereto.

2. This purchase money second mortgage and the note which it secures are junior and subordinate to a first mortgage securing a note for Six Hundred Thousand ($600,000.00) Dollars dated June 14, 1968, payable to the United States National Bank of Oregon. The mortgagors under this purchase money second mortgage may from time to time refinance the indebtedness under said first note by executing new notes and new mortgages and thereupon this purchase money second mortgage and the note securing the same shall remain junior and subordinate to the new first note and first mortgage provided, however, that the total principal payment secured by any new first notes and mortgages may not at any time exceed the sum of Six Hundred Thousand ($600,000.00) Dollars.

3. This is a purchase money mortgage and the mortgagees are strictly limited to the remedy of foreclosure specified hereunder and the mortgagors shall not be personally liable for the indebtedness secured hereby or for any deficiency judgments, attorneys fees, foreclosure costs, claims, actions, or demands of any kind.

EXHIBIT

STATE OF OREGON; County of Klamath; ss.

Filed for record at request of TRANSAMERICA Title Ins. Co. on this [illegible] day of [illegible] A.D. 19 69 at [illegible] o'clock [illegible] M., and duly recorded in Vol. [illegible] of [illegible] on Page [illegible]

[illegible]