

THIS MORTGAGE, Made this 30th day of June, 1970,
by Paul H. Fairclo and Ann S. Fairclo, husband and wife,
to George E. Stevenson

Mortgagor,

Mortgagee,

WITNESSETH, That said mortgagor, in consideration of Sixty Thousand and no-100ths - - - (\$60,000.00) - - - Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

PARCEL ONE: S½ of S½ of Sec. 2 excepting the North 60 ft. west of U.S. Highway 140 and that portion lying East of O.C. and E. Railroad;

All of Section 11 except that portion lying NE of Highway 140 and East of the O.C. and E. Railroad;

SW¼ of NW¼, SE¼ of SW¼; Lot 1, and N½ of SW¼ of Sec. 12, less portion of said SW¼ of said Sec. 12 described as follows: Beginning at a point 30 feet South of the NE corner of the SW¼ of said Sec. 12; running thence West along the Southern edge of the county road 810 feet; thence South 24°00' E. 263 feet; thence South 38°00' E. 310 feet; thence South 49°00' E. 335 feet; thence South 75°00' E. 273 feet; thence due North 778 feet to the point of beginning, containing 10 acres, more or less;

Lot 1, except the East 500 feet thereof, and all of Lots 2, 3, 4 and 5 of Section 13;

NW¼ of Section 14;

EXCEPTING from the foregoing the following: Beginning at a point 1120 feet North and 230 feet East of the SW corner of Sec. 12; running thence East 320 feet to the Westerly line of Highway 140; thence Northerly along West line of Highway 140, 115 feet; thence West 395 feet; thence South 110 feet to point of beginning.

PARCEL TWO: Beginning at a point 1120 feet North and 230 feet East of the SW corner of Sec. 12, Twp. 39 S.R. 10 E.W.M., running thence East 320 feet to the Westerly line of Highway 140; thence Northerly along West line of Highway 140, 115 feet; thence West 395 feet; thence South 110 feet to point of beginning.

All in Township 39 South, Range 10 E.W.M.

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 and assigns forever.

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

\$ 60,000.00 Klamath Falls June 30, 1970
Each of the undersigned promises to pay to the order of George E. Stevenson

at Klamath Falls, Oregon
- - - - -Sixty Thousand and no-100ths- - - - - DOLLARS,
with interest thereon at the rate of 6 percent per annum from January 1, 1971 until paid, payable in annual installments of not less than \$ 4,000.00 in any one payment; interest shall be paid annually and *in addition to the minimum payments above required; the first payment to be made on the 1st day of January, 1971, and a like payment on the 1st day of each January thereafter, until the whole sum, principal and interest has been paid; if any of said installments is not paid, the whole sum of both principal and interest 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, each of the undersigned promises and agrees to pay holder's reasonable collection costs, including reasonable attorney's fees, even though no suit or action is filed hereon; however, if such suit or action is filed, the amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein, is tried, heard or decided. Any part or all may be prepaid at any time.

Due 19 Paul H. Fairclo
At Ann S. Fairclo

* Strike words not applicable. No.

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he 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 he will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid he 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 above described, when due and payable and before the same may become delinquent; that he 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 he will keep the buildings now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

Form IT-3-11M-6-69
DEPARTMENT
STATE OF
Inheritance and
Salem, Oregon

I, C. H. Mack,
of Oregon, do hereby certify
about the 14th day of
The following described
included in an unprobated

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:
 (a)* primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below),
 (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note; it being agreed that a failure to perform any covenant herein, or if a 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 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 insurance 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 without waiver, however, 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. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and 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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that the mortgagor or 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, said mortgagor has hereunto set his hand the day and year first above written.

Paul H. Fairclo
Ann S. Fairclo

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use 5-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use 5-N Form No. 1306, or equivalent.

MORTGAGE

(FORM No. 105A)

TO

STATE OF OREGON,
 County of Klamath ss.

I certify that the within instrument was received for record on the 10th day of August, 1970, at 9:18 o'clock A.M., and recorded in book M.70, on page 6760, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

M. D. MITCHELL

County Clerk Title

Deputy

NOTES: LENDING LAW PUB. CO., PORTLAND, ORE.

fee 1.00

George E. Stevenson

Rt 2 # 810

K78

STATE OF OREGON,

County of Klamath ss.

BE IT REMEMBERED, That on this 30th day of June, 1970, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Paul H. Fairclo and Ann S. Fairclo, husband and wife,

known to me to be the identical individual s. described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Paul H. Fairclo
 Notary Public for Oregon
 My Commission expires *April 4, 1971*