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This Indenture, made this 2nd day of March, 1971, between
CURTIS O. BANEY AND MYRTLE BANEY, HUSBAND & WIFE AND SWAN LAKE MOULDING COMPANY.

AN OREGON CORPORATION, hereinafter
called "Mortgagor", and FIRST NATIONAL BANK OF OREGON, a national banking association, hereinafter
called "Mortgagee";

WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor has bargained and sold and does hereby
grant, bargain, sell and convey unto the Mortgagee, all the following described property situate in

Klamath County, Oregon, to wit:

Starting at the Northwest corner of Section 3 TWP 39 S R9 E.W.M., and running
thence S 00 degrees 00½' E. along the Westerly boundary of Section 3, 977.8 feet, more
or less, to its intersection with a line parallel with and fifty feet distant
at right angles Southwesterly from the center line of the Dalles-California
State Highway, also known as South Sixth Street, as the same is now located
and constructed; thence S 55 degrees 52½' E. along said parallel line 1396.6 feet to
a point from which the cross chiseled in the concrete sidewalk bears N 34 degrees 07½'
E. 11. feet; thence at right angles to South Sixth Street S. 34 degrees 07½' W. fifty
feet to point "A" the true point of beginning of this description, thence S 55 degrees
52½' E. parallel to South Sixth Street 200. feet to point "B" from which a cross
chiseled in a 5/8 inch steel rebar set in the asphalt roadway bears N 34 degrees
07½' E. 61. feet; thence at right angles to South Sixth Street S 34 degrees 07½' W.
258.6 feet to point "C"; thence N. 66 degrees 57½' W. parallel to the northerly
right of way line of the O.C. & E. RR 203.8 feet to point "D"; thence N 34 degrees
07½' E. 297.8 feet, more or less, to the true point of beginning, but reserving
the right of way and the right to replace and maintain the 8 inch sanitary sewer
located approximately 125 feet southerly at right angles from the line "A" "B",
but granting joint use of this sewer subject to the rules of the South Suburban
Sanitary District, and subject to that certain right of way for poles and wires
for electric service granted to California Oregon Power Company recorded
1947 in Book 202 Page 379 of Klamath County Deed Records;

together with the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise
appertaining; also all such apparatus, equipment and fixtures now or hereafter situate on said premises, as are ever
furnished by landlords in letting unfurnished buildings similar to the one situated on the real property hereinabove
described, including, but not exclusively, all fixtures and personal property used or intended for use for plumbing,
lighting, heating, cooking, cooling, ventilating or irrigating, linoleum and other floor coverings attached to floors, and
shelving, counters, and other store, office and trade fixtures; also the rents, issues and profits arising from or in
connection with the said real and personal property or any part thereof.

To Have and To Hold the same unto the Mortgagee, its successors and assigns, forever.

And the Mortgagor does hereby covenant to and with the Mortgagee, that he is lawfully seized in fee simple of the
said real property, that he is the absolute owner of the said personal property, that the said real and personal property
is free from encumbrances of every kind and nature, and that he will warrant and forever defend the same against the
lawful claims and demands of all persons whomsoever.

N-127X 2-70 - INDIVIDUAL - RESIDENTIAL OR BUSINESS (TAXES, INSURANCE, ETC., INCLUDED)

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This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept and performed, and to secure the payment of the sum of \$ 205,000.00

and interest thereon in accordance with the tenor of a certain promissory note executed by -----

CURTIS O. RANEY AND MYRTLE RANEY, Husband and wife and SWAN LAKE MOULDING COMPANY,
AN OREGON CORPORATION

dated March 2, 1971, payable to the order of the Mortgagee in installments not less than \$ 2,079.28, each, including interest, on the 1st day of each month commencing September 1, 1971, until February 1, 1981, when the balance then remaining unpaid shall be paid.

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

1. That he will pay, when due, the indebtedness hereby secured, with interest, and all liens and utility charges upon said premises for services furnished thereto. In addition thereto, he will pay, at the time of payment of each installment of principal and interest, such amount as Mortgagee shall estimate to be sufficient to produce, at least one month prior to the time when payment thereof shall become due, the amount of (a) taxes, assessments and other governmental rates and charges against said premises and (b) premiums upon insurance against loss or damage to said premises. If the sums so paid shall be less than sufficient for said purposes, Mortgagee will also pay, upon demand, such additional sum as Mortgagee shall deem necessary therefor. If Mortgagor desires a "package" plan of insurance which includes coverage in addition to that required under this mortgage, Mortgagee may, at its option, establish and administer a reserve for that purpose. If the package plan reserve is not sufficient to pay the renewal premium on a package plan policy, then Mortgagee may use such reserve to pay premiums on a policy covering only risks required to be insured against under this mortgage and allow the package plan policy to lapse. Mortgagee shall, upon the written direction of Mortgagor, and may, without such direction, apply sums paid by Mortgagor and held by Mortgagee to the purposes aforesaid; but the receipt of such sums shall not, in the absence of such direction, impose any duty upon Mortgagee to disburse the same or relieve Mortgagor from his covenants to pay said obligations or to keep the premises insured. Mortgagee may, from time to time, establish reasonable service charges for the collection and disbursement of premiums on package type insurance policies. Mortgagee shall not, whether or not service charges are imposed, be subject to any liability for failure to transmit any premiums to any insurer or by reason of any loss growing out of any defect in any insurance policy.

2. That he will not commit or permit strip or waste of the said premises or any part thereof; that he will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that he will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that if any of the said property be damaged or destroyed by any cause, he will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage; provided, that if such loss or damage shall be caused by a hazard against which insurance is carried, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That he will, at his own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof, insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance companies satisfactory to or designated by the Mortgagee in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured, in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this mortgage; that at least 5 days prior to the expiration of any policy or policies he will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provision by which the insurer may be liable for less than the full amount of the loss sustained, he will, as often as the Mortgagee may require, provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or reconstruction of the property damaged or destroyed.

4. That he will execute or procure such further assurance of his title to the said property as may be requested by the Mortgagee.

5. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repairs, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at 8% per annum and shall be secured hereby.

6. That he will not, without the prior written consent of Mortgagee, transfer his interest in said premises or any part thereof, whether or not the transferee assumes or agrees to pay the indebtedness hereby secured. Upon any application for Mortgagee's consent to such a transfer, Mortgagee may require from the transferee such information as would normally be required if the transferee were a new loan applicant. Mortgagee shall not unreasonably withhold its consent. As a condition of its consent to any transfer, Mortgagee may, in its discretion, impose a service charge not exceeding one percent of the original amount of the indebtedness hereby secured and may increase the interest rate on the indebtedness hereby secured by not more than one percent per annum.

6A. See attached exhibit A

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7. That, if any default be made in the payment of the principal or interest of the indebtedness hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

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1. That Swan Lake Moulding Company, of Mortgagors, is the owner of the above described real property.

3. That Swan Lake Moulding Company, of Mortgagors, has not signed the promissory note herein described and assumes no liability for payment of same or any part thereof nor for payment of any other sums which Mortgagors agree to pay by the terms of this mortgage. That Swan Lake Moulding Company in executing this Mortgage pledges only its interest in said real property for payment of said note and Mortgagee upon foreclosure will not be entitled to any judgment against Swan Lake Moulding Company for payment thereof. That the covenants for additional security in said mortgage apply only to Baney.

Dated at Klamath Falls, Oregon this 2nd day of March, 1971.

By H. J. Hall President

Curtis O. Baney
Curtis O. Baney

Myrtle Baney

079.28
February 1, 1981

The Mortgagee does hereby covenant and agree to and with the Mortgagee, its successors, assigns and legal representatives, that:

1. That he will pay, when due, the indebtedness hereby secured, with interest upon said premises for services furnished thereto. In addition thereto, he will pay installment of principal and interest, such amount as Mortgagee shall estimate to be due, on or before the first day of each month, beginning on the first day of the month next following the date hereof, until the principal and interest thereon shall have been paid in full. The Mortgagee shall estimate the amount of such payments on the basis of the best information available to it at the time when such payments are made, and the Mortgagee shall not be liable for any overpayment or underpayment of such payments. The Mortgagee shall not be liable for any overpayment or underpayment of such payments. The Mortgagee shall not be liable for any overpayment or underpayment of such payments.

2. That he will not commit or permit strip or waste of the said parcel and personal property hereinabove described in good order and promptly comply with any and all municipal and governmental rules of the said property be damaged or destroyed by any cause, he will when completed, it shall be caused by the value thereof such loss or damage shall be caused by a hazard against which repair or reconstruct shall not arise unless the Mortgagee shall expense of such reconstruction or repair.

3. That he will, at his own cost and expense, keep the together with all personal property covered by the lien hereof hazards as the Mortgagee may from time to time require designated by the Mortgagee in an aggregate amount not (unless the full insurable value of such building or building Mortgagegor shall insure to the amount of the full insurable including policies in excess of the amount hereinabove required, that loss shall be payable to the Mortgagee may prescribe, that loss shall be delivered to and retained by premiums therefor shall be expiration of any policy of at least 5 days prior to the expiration of any "average" thereof together with premium receipts in full; that liability of the insurer or shall contain any "average" less than the full amount of the loss sustained; he with all such evidence as it may request concerning the value of the property insured and, if it shall omissions of the Mortgagegor or that the coverage such further insurance as the Mortgagee may require insurance policies upon the said premises to be used for the repair or reconstruction of the property he will execute or procure such

4. That he will execute the Mortgagee.

4. That he will execute the Mortgagee.

5. That in case the Mortgagor shall fail to be done or performed, the Mortgagee may, without the consent of the Mortgagor, procure any other of the things required, and any expenses shall be secured hereby.

That he will not, without the consent of the Mortgagee, or not the Mortgagee's consent.

6. That he will not, without the part thereof, whether or not the application for Mortgage's consent would normally be required if he consent. As a condition of its exceeding one percent of the original indebtedness hereby secured

6A. See attached

7. That, if any de
in the performance of
notice, declare the en

8. That, in the sum as the trial co such further sum examination fees secured here of the

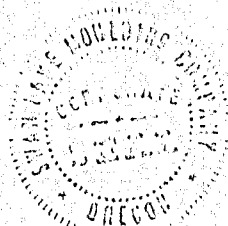
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7. That, if any default be made in the payment of the principal or interest of the indebtedness hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

8. That, in the event of the institution of any suit or action to foreclose this mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

9. The word "Mortgagor", and the language of this instrument shall, where there is more than one mortgagor, be construed as plural and be binding jointly and severally upon all mortgagors and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon his heirs, executors, administrators, successors and assigns and inure to the benefit of the successors and assigns of the Mortgagee. In the event of any transfer of the property herein described or any part thereof or any interest therein, whether voluntary or involuntary or by operation of law, the Mortgagee may, without notice to the Mortgagor or any one else, once or often, extend the time of payment or grant renewals of indebtedness hereby secured for any term, execute releases or partial releases from the lien of this mortgage or in any other respect modify the terms hereof without thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this mortgage shall be deemed waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and deposited in any post office, station or letter box.

In Witness Whereof, the Mortgagor S. have hereunto set their hands and seal S. the day and year first hereinabove written.



STATE OF OREGON

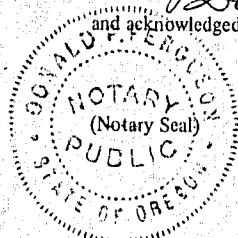
County of Klamath

March 2, A. D. 1971

Personally appeared the above-named Curtis O. Baney and

Myrtle Baney, Alfred D. Collier and

Dorothy V. Collier, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



Donald F. Ferguson
Notary Public for Oregon.

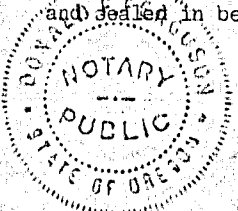
My Commission Expires: April 5, 1974

STATE OF OREGON

County of Klamath) SS

March 2, 1971

Personally appeared Alfred D. Collier and Dorothy V. Collier, who being sworn, each for himself and not one for the other, stated that the former is the President and the latter is the Secretary of Swan Lake Moulding Company, the within named corporation, and that the seal affixed hereto is its seal and this mortgage was voluntarily signed and sealed in behalf of the corporation by authority of its Board of Directors before me:



Donald F. Ferguson
Donald F. Ferguson, Notary Public
My Commission expires: April 5, 1974

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STATE OF OREGON,
County of Klamath
Filed for record at request of
First National Bank, South Sixth Street Branch
on this 9 day of March A.D. 19 71
at 10:49 o'clock A.M. and duly
recorded in Vol. M 71 of Mortgages
page 1959
Wm J. MILNE, County Clerk
By *Louise Mitchell* Deputy
Fee \$7.50

MORTGAGE

TO
FIRST NATIONAL BANK OF OREGON
Portland, Oregon

When Recorded, Mail to
South Sixth St. Branch
FIRST NATIONAL BANK OF OREGON
Attn: E. W. Groves
P.O. Box 258
Klamath Falls, Ore.
(Address of Branch)

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