

NOTE AGREEMENT
(Secured)

August 10th
(Date)

8451
19 71

FOR VALUE RECEIVED, the undersigned promise to pay to the order of ALBERS MILLING COMPANY, a Division
of CARNATION COMPANY, a Delaware corporation,
("PAYEE")
at 1118 N. W. Front Street, Portland, Oregon
(Address)

the sum of THREE THOUSAND - - - - - Dollars (\$ 3,000.00)

together with any and all future advances, of any nature whatsoever, made by Payee or any holder of this Note Agreement to the undersigned (including but not limited to money, commodities and labor) plus a FINANCE CHARGE on said sum and advances at the ANNUAL PERCENTAGE RATE OF Eight PER CENT (8 %) per annum, payable on demand or if no demand is made, then as follows: Sixty and 83/100 Dollars (\$60.83) shall be due and payable on the 15th day of September, 1971, and Sixty and 83/100 Dollars (\$60.83) shall be due and payable on the 15th day of each succeeding month thereafter until September 15, 1976 at which time the entire balance, including principal and interest shall be due and payable in full; payments to be applied first to interest.

This Note Agreement is secured by a Real Estate Mortgage of even date herewith on real property located in the County of Klamath, State of Oregon, more particularly described in said Real Estate Mortgage.

Should the undersigned fail to perform any of the covenants or provisions of this Note Agreement or of any instrument securing this Note Agreement, or should default be made in the payment of any installment hereunder when due, the entire amount unpaid hereunder shall become immediately due and payable at the option of Payee or any holder hereof, and thereafter all such unpaid amounts shall bear interest at the highest maximum rate permissible by law.

For bookkeeping purposes, Payee or any holder hereof may set up one or more accounts to record payment or payments due hereunder.

The undersigned agree that Payee or any holder hereof, at the option of the latter, may apply any monies received from the undersigned toward the payment of any amounts due under this Note Agreement or to any other indebtedness of the undersigned to Payee or any holder hereof.

Every maker, guarantor and endorser hereof waives presentment, demand, protest, notice of demand, notice of protest, notice of non-payment, notice of dishonor, any right to require Payee or any holder hereof to first proceed against any security, and consents to any and all extensions and renewals hereof without notice.

Every maker, guarantor, and endorser hereof agrees to pay all costs and expenses of collection or enforcement of this Note Agreement or any covenant hereunder or any instrument securing this Note Agreement, including the reasonable fees of an attorney and costs of suit, including appeals.

On demand of Payee or any holder hereof, the undersigned shall execute any written instrument or do any other acts necessary to make effective the purposes and provisions of this Note Agreement.

Should this Note Agreement be executed by more than one person, their obligations hereunder shall be joint and several.

The failure of Payee or any holder hereof to exercise any right set forth herein shall not constitute a waiver thereof, and the acceptance by Payee or any holder hereof of any payment hereunder after the same is due shall not constitute a waiver as to any future payments.

OTHER PROVISIONS:

/s/ Fred S. Vaughn
Fred S. Vaughn

(Address)

/s/ Dorothy E. Vaughn
Dorothy E. Vaughn

(Address)

EXHIBIT A

AO-2571 (Rev. 10/69)

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INSURANCE CO

this 11th day of August A. D., 19 71 at 4:20 o'clock P. M., and duly recorded in

Vol. M. 71, of MORTGAGES on Page 8447

Fee \$7.50

WM. D. MILNE, County Clerk

By [Signature]