

This Indenture, made this 13th day of August, 1971, between

COVE POINT CORPORATION

herein

after called "Mortgagor", and BANK OF KLAMATH COUNTRY

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:

See attached Exhibit, which is marked Exhibit "A", and incorporated into and made a part of this mortgage as if fully set out herein.

to an iron pin; thence South 4°37' West a distance of 236.2 feet to an iron pin; thence South 74°28' East a distance of 180.3 feet, more or less, to the point beginning, said tract containing 1.09 acres, more or less, in Government Lot 3 Section 1 Township 38 S.R. 8 E.W.M.

Parcel 4: Beginning at an iron pin which lies on the South line of Government Lot 3, 76.23 feet West of the Southeast corner of Government Lot 3, Section 12 Township 38 S., R. 8 E.W.M., in Klamath County, Oregon, and running thence West along the South line of said Lot 3, a distance of 169.27 feet to an iron pin; thence South 34°12' East of 1040.17 feet to an iron pin; thence North 55°48' East a distance of 140 feet to an iron pin; thence North 34°12' West a distance of 945.03 feet, more or less, to the point of beginning, said tract containing 3.19 acres, in the SE¼NW¼ and SW¼NW¼ of Section 12 Township 38 S.R. 8 E.W.M., in Klamath County, Oregon.

Also beginning at a point where the South line of Lot 1 of Section 12 Township 38 S.R. 8 E.W.M. intersects the Westerly right of way line of the S.P. Railroad (as marked by the Railroad fence), which point is 104 feet West of the Section line; and running thence West along the South line of said Lot 1, a distance of 548.7 feet to an iron pin; thence South 33°29' East a distance of 1017 feet to an iron pin on the Westerly right of way line of the S. P. Railroad; thence Northerly and Easterly following the Westerly right of way of the S. P. Railroad to the point of beginning, said tract containing 4.9 acres, more or less, in the SE¼NW¼ of Section 12 Township 38 S.R. 8 E.W.M. in Klamath County, Oregon.

SAVING AND EXCEPTING FROM PARCEL 2 the following: Beginning at an iron pin on the Section line which lies West along the Section line a distance of 1153.1 feet from the iron pin which marks the quarter section corner common to Sections 1 and 12 Township 38 S.R. 8 E.W.M., in Klamath County, Oregon, and running thence: continuing West along the Section line a distance of 245.5 feet to an iron pin; thence South 32°10' East a distance of 145.5 feet to an iron pin; thence South 76°09' East a distance of 122.7 feet to an iron pin; thence North 17°45' East a distance of 160.2 feet, more or less in Government Lots 3 and 4, Section 12 Township 38 S.R. 8 E.W.M., Klamath County, Oregon.

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.

On Have and On 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-127 UD 6-46 INDIVIDUAL—RESIDENTIAL OR BUSINESS