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THIS MORTGAGE, Made this 23d day of August, 1971, between Winema Peninsula, Inc., a Corporation, duly organized and existing under the laws of the State of Oregon, hereinafter called the Mortgagor, and John Hugh Smith and Vivian E. Smith, his wife, hereinafter called the Mortgagee, WITNESSETH, That said mortgagor, in consideration of Fifteen Thousand, Five Hundred and 00/100 Dollars, to it paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators, successors and/or assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows:

Lot 11 in Section 27, Township 34 South, Range 7 East of the Willamette Meridian, EXCEPT that portion in Deed Book 207 at page 489, recorded June 20, 1947, Deed Records of Klamath County, Oregon, as follows:

Beginning at a point 1201 feet East of the 16th corner at the Southwest corner of Lot 6, Section 27, Township 34 South, Range 7 East of the Willamette Meridian; thence running South 0°12' East 237.8 feet; thence East 268.5 feet to a point on the right bank of Williamson River; thence North 14°22' East 243.8 feet to a point on the right bank of Williamson River, which is identical with the Southeast corner of Lot 6; thence West 329 feet to the place of beginning, being a tract of land within Lot 11, Section 27, Township 34 South, Range 7 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, successors and/or assigns forever.

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

Klamath Falls, Oregon August 23, 1971
\$ 15,500.00
The undersigned corporation promises to pay to the order of John Hugh Smith and Vivian E. Smith, or the survivor of them, at Klamath Falls, Oregon, DOLLARS, Fifteen Thousand, Five Hundred and 00/100, September 1, 1971 until paid, with interest thereon at the rate of seven percent per annum from September 1, 1971 in any one payment; interest shall be payable in semi-annual installments of not less than \$ 925.00 in any one payment; interest shall be paid with principal and the minimum payments above required; the first payment to be made on the 1st day of March, 1972, and a like payment on the 1st day of each Sept. & Mar. thereafter, until the whole sum, principal and interest, has been paid; if any of said installments is not so 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, the undersigned promises and agrees to pay the reasonable collection costs of the holder hereof; and if suit or action is filed hereon, also promises to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.
Winema Peninsula, Inc.
All or any portion may be prepaid without penalty.
By Glenn P. Kienzer Secretary By Terry Gienzer President
No. _____
* Strike words not applicable.

FORM No. 101—INSTALLMENT NOTE—CORPORATION (Oregon UCC)

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators, successors and/or assigns, that it 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 it will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid it 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 it 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 it 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 the 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 it 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.

SEP 1 3 25 PM 1971

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