

THIS MORTGAGE, Made this 19th day of May, 1971, between SHADOW HILLS DEVELOPMENT CORPORATION, a Corporation, duly organized and existing under the laws of the State of Oregon, hereinafter called the Mortgagor, and WILLIAM F. HANNON, ROBERT E. HANNON, and JOHN P. HANNON, hereinafter called the Mortgagee, WITNESSETH, That said mortgagor, in consideration of FOUR HUNDRED SIXTY-SIX THOUSAND FIVE HUNDRED AND NO/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:

ENTERPRISE TRACTS NOS. 1, 2, 3, 4, 5, 6, 7 and 8; North 15 acres of ENTERPRISE TRACT NO. 9; ENTERPRISE TRACTS NOS. 10, 11 and that portion of ENTERPRISE TRACT NO. 12, located, situate and being South of the road, commonly known as Upland Way, and ENTERPRISE TRACT NO. 14; that portion of ENTERPRISE TRACT NO. 15, located, situate and being North of said Upland Way, and ENTERPRISE TRACT NO. 19, total acreage 311.01 acres, more or less, according to the duly recorded plat of ENTERPRISE TRACTS on file and of record in the office of the County Clerk, Klamath County, Oregon.

This mortgage is inferior in right and time to that certain mortgage given by Shadow Hills Development Corporation to First Federal Savings & Loan Association of Klamath Falls, Oregon, in the principal amount of \$140,000.00, dated September 30, 1971, recorded September 29, 1971, in Vol. M71, Page 10310, Mortgage Records of Klamath County, Oregon.

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 2 promissory note of which the following is a substantial copy:

\$466,500.00

May
~~March~~ 19, 1971

FOR VALUE RECEIVED, SHADOW HILLS DEVELOPMENT CORPORATION, an Oregon corporation, promises to pay to the order of WILLIAM F. HANNON, ROBERT E. HANNON and JOHN P. HANNON at Castro Valley, California, FOUR HUNDRED SIXTY-SIX THOUSAND FIVE HUNDRED AND NO/100 DOLLARS, without interest, according to the terms and provisions of that certain Agreement dated January 5, 1971, between SHADOW HILLS, INC. and the above-named WILLIAM F. HANNON, ROBERT E. HANNON and JOHN P. HANNON, and on or before ten years from the date hereof.

In case suit or action is instituted to collect this note, or any portion thereof, said corporation promises to pay such additional sum as the court may adjudge reasonable as attorney fees in such suit or action or in any appeal therefrom.

IN WITNESS WHEREOF, the President and Secretary of said corporation, under authority of a resolution adopted by its board of directors, have hereunto signed the name of the corporation.

SHADOW HILLS DEVELOPMENT CORPORATION

By CHARLES A. FISHER
President

By ALBERT V. SCHMECK
Secretary

and will not commit or suffer any waste of said premises.
Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note(s) according to its (their) 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(s); it being agreed that a failure to perform any covenant herein, or if 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(s) 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(s) 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. And if suit be commenced to foreclose this mortgage, the attorney's fees provided for in said note(s) shall be included in the lien of this mortgage.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators, successors and/or 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 to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

In construing this mortgage, it is understood that the mortgagees 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, SHADOW HILLS DEVELOPMENT CORPORATION, pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereunto affixed this 19th day of ~~March~~ May, 1971.

Executed in the Presence of

SHADOW HILLS DEVELOPMENT CORPORATION

By Charles A. Fisher President

SHADOW HILLS DEVELOPMENT CORPORATION

By Albert V. Schmeck Secretary

STATE OF OREGON,

County of KLAMATH ss.
before me appeared CHARLES A. FISHER
GLEN W. SPICER,

On this 19th day of March May, 1971,

and both to me personally known, who being duly sworn, did say that he, the said CHARLES A. FISHER, is the President, and he, the said GLEN W. SPICER, is the Secretary of SHADOW HILLS DEVELOPMENT CORPORATION, the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and CHARLES A. FISHER and ALBERT V. SCHMECK acknowledged said instrument to be the free act and deed of said Corporation.

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

Dolores Baldwin
Notary Public for Oregon.
My Commission expires May 13, 1973

MORTGAGE

Corporation
(FORM NO. 72A)

TO

STATE OF OREGON,

County of Klamath ss.

I certify that the within instrument was received for record on the 20th day of October, 1971, at 2:46 o'clock P. M., and recorded in book M71 on page 11004 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By Wm. D. Milne
County Clerk-Recorder.

Deputy
STEVENS LAW FIRM, P.C., PORTLAND, ORE.

H. F. Smith
538 Main
Klamath Falls, Oregon
97601

Fee \$4.50