35432

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THIS MORTGAGE, made the day and year hereinafter written by DONALD J. KELLEY and LYNNE T. KELLEY, husband and wife, Mortgagors, to GEARY BROTHERS, a partnership, Mortgagee,

WITNESSETH:

That said Mortgagors in consideration of $55,400.00 to them paid by said Mortgagee, do hereby grant, bargain, sell and convey unto said Mortgagee, its successors and assigns, the following described real property, to-wit:

All of the SE¼ lying Southerly of the plat of Lakeshore Gardens, in Section 25, and

The N½NE¼ of Section 36,

All in Township 38 South, Range 8, E.W.M., Klamath County, Oregon;

AND ALSO, Lots 3, 4, 20, 20B and 57 of Lakeshore Gardens, Klamath County, Oregon, according to the official plat thereof.

TO HAVE AND TO HOLD the premises and their appurtenances unto the said Mortgagee, its successors and assigns forever.

PROVIDED HOWEVER, that this is a Mortgage and is given to secure the payment of a promissory note of which the following is a substantial copy, to-wit:

JUN 22 8 54 AM 1972

$55,400.00 Klamath Falls, Oregon May 17, 1972

For value received, I promise to pay to Geary Brothers, a partnership. or order at First National Bank of Oregon, 601 Main Street, Klamath Falls, Oregon, - - Fifty-five Thousand, Four Hundred and no/100 - - Dollars, with interest thereon at the rate of 7% per annum from May 19, 1972, until paid, in five equal annual principal installments of $11,080.00 plus the full amount of interest accrued at each payment date. The first of said installments and interest shall be paid on the 1st day of October, 1973, and a like payment shall be made on the 1st day of each October thereafter until the whole sum, principal and interest has been paid. If any of said installments are not so paid, the whole sum of both principal and interest shall become immediately due and collectible at the option of the holder of this Note. In case suit or action is instituted to collect this Note or any portion thereof, I promise to pay such sums as the Courts, including Appellate Courts in the event of an appeal or other proceeding therein, may adjudge reasonable as attorneys fees.

Donald J. Kelley
Donald J. Kelley

Lynne T. Kelley
Lynne T. Kelley

The Mortgagors jointly and severally covenant with the Mortgagee and its successors and assigns, that they will pay said note, principal and interest according to the terms thereof; that they will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said

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ATTORNEYS AT LAW
538 MAIN STREET
KLAMATH FALLS, ORE.
97601

property before any of the same become delinquent; that they will promptly satisfy and clear 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 they will not suffer or commit any waste of said premises and will not sell, cut, log, remove or destroy any trees growing on said premises without the prior written consent of the Mortgagee; provided, however, that the Mortgagee shall consent to the removal of timber when necessary for the construction of streets, roadways and buildings.

NOW, THEREFORE, if said Mortgagors shall keep and perform the covenants herein contained and shall pay said Note according to its 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. If the Mortgagors shall fail to perform any covenant herein or to make any payment on said Note or if a proceeding of any kind be taken to foreclose any lien on said premises, or any part thereof, the Mortgagee shall have the right to declare the whole amount unpaid on said Note or this Mortgage immediately due and payable and this Mortgage may be foreclosed at any time thereafter. If the Mortgagors shall fail to pay any taxes, assessments or charges or any lien, encumbrance or insurance premium as herein provided, the Mortgagee may at its option do so and any payments 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 without any waiver, however, of any right accruing to the Mortgagee because of said breach of covenant and this Mortgage may be foreclosed for principal, interest and all sums paid by the Mortgagee. In the event of any suit, action or proceeding being instituted to foreclose or enforce any of the provisions of this Mortgage, the Mortgagors agree to pay all reasonable sums incurred by the Mortgagee for title reports and title search, all costs and disbursements and such further sums as the Courts, including Appellate Courts in the event of an appeal or other proceeding therein, shall adjudge reasonable as the Mortgagee's attorneys fees therein with all such sums to be secured by the lien of this Mortgage and included in the Decree of Foreclosure or other Judgment rendered therein.

In case suit or action is commenced to foreclose or enforce any provision of

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Geary Brothers
c/o Martha D. Smith
Box 8 Harriman Route
Klamath Falls, Oregon

this Mortgage, the Court may, upon motion of the Mortgagee, appoint a receiver to collect the rents and profits arising out of said premises and to care for and protect the said premises during the pendency of such suit or action, and apply the same after first deducting all of said receiver's proper charges and expenses to the payment of the amounts due under this Mortgage and the Note secured thereby.

The Mortgagee agrees that when the unpaid principal balance of said Note and this Mortgage has been reduced to $38,000.00 that it will, if the Mortgage is not then in default in any particular, execute a Partial Release from this Mortgage of one contiguous parcel of land not exceeding 40 acres in area designated by the Mortgagors.

Each and all of the terms and covenants herein contained shall apply to and bind the parties hereto and their respective successors, grantees, personal representatives, heirs, devisees and assigns.

IN WITNESS WHEREOF, said Mortgagors have executed this Mortgage this 17th day of May, 1972.

Donald J. Kelley
Donald J. Kelley

Lynne T. Kelley
Lynne T. Kelley

STATE OF OREGON)
County of Klamath) SS

BE IT REMEMBERED, that on this 19 day of May, 1972, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Donald J. Kelley, husband of Lynne T. Kelley, known to me to be the identical individual described in and who executed the same freely and voluntarily.

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

[signature]
Notary Public for Oregon

(SEAL)
My Commission Expires: 8-5-75

STATE OF CALIFORNIA)
County of Marin) SS

BE IT REMEMBERED, that on this 22 day of May, 1972, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Lynne T. Kelley, wife of Donald J. Kelley, known to me to be the identical individual described in and who executed the same freely and voluntarily.

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

Richard C. Gregory
Notary Public for California

OFFICIAL SEAL
Richard C. Gregory
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
MARIN COUNTY
My Commission Expires February 23, 1975

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ATTORNEYS AT LAW
538 MAIN STREET
KLAMATH FALLS, ORE.
97601

(SEAL)
My Commission Expires:

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STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of KLAMATH COUNTY TITLE CO
this 22nd day of JUNE A. D. 19 72 at 8:54 o'clock A M., and duly recorded in Vol. M 72, of MORTGAGES on Page 6733

FEE $6.00

WM. D. MILNE, County Clerk
By Hazel Drazil