

THIS MORTGAGE, made the day and year hereinafter written by Gateway Cattle Co., an Oregon corporation, Mortgagor, to Schmoee, Kilgore & Kilgore, a partnership, Mortgagee,

W I T N E S S E T H:

That said Mortgagor in consideration of \$155,000.00 to them paid by said Mortgagee, does hereby grant, bargain, sell and convey unto said Mortgagee, its successors and assigns, the following described real property, to-wit:

E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8; NW $\frac{1}{4}$, NE $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9; NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 16; all in Township 40 South, Range 14 East of Willamette Meridian, Klamath County, Oregon

SUBJECT TO: The assessment roll and the tax roll disclose that the within described premises were specially assessed as farm land. If the land becomes disqualified for the special assessment under the statute an additional tax may be levied for the last five years or lesser number of years, in which the land was subject to the special land use assessment. NOTE: upon sale or transfer of said land the new owner must make application for the special assessment within 60 days of said sale or transfer; and

Restrictions, reservations, easements, rights of way of record and those apparent on the land, if any,

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:

\$ 155,000.00 Klamath Falls, Oregon, June 15, 1973
Each of the undersigned promises to pay to the order of Louise Kilgore Schmoee, Charles Kilgore & Silas Kilgore, dba Schmoee, Kilgore & Kilgore and upon the death of any of them, then to the order of the survivor of them, at Unites States National Bank, Klamath Falls Branch, One Hundred Fifty Five Thousand and no/100 DOLLARS, with interest thereon at the rate of 6 $\frac{1}{2}$ percent per annum from June 15, 1973 until paid, payable in yearly installments, at the dates and in the amounts as follows: not less than \$27,000.00 on June 15, 1974, \$27,000.00 on June 15, 1975; \$27,000.00 on June 15, 1976; \$12,000.00 on June 15, 1977 and \$12,000.00 on each June 15, thereafter

interest to be paid with principal and ~~is included in~~ the payments above required; said payments shall continue until the whole sum hereof, principal and interest, has been paid; if any of said installments is 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. If this note is placed in the hands of an attorney for collection, each of 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.

It is the intention of the parties hereto that the said payees do not take the title hereto as tenants in common but with the right of survivorship, that is: on the death of any of the payees, the right to receive payment of the then unpaid balance of principal and interest shall vest absolutely in the survivor of them.

No prepayment until after January 1, 1974, then any or all may be prepaid without penalty.

Gateway Cattle Co.
by /s/ Paul H. Holsinger, Jr.
President

* Strike words not applicable.

1 The Mortgagor covenants with the Mortgagee and its successors and assigns,
2 that it will pay said note, principal and interest according to the terms there-
3 of; that it will pay all taxes, assessments and other charges of every nature
4 which may be levied or assessed against said property before any of the same
5 become delinquent; that it will promptly satisfy and clear any and all liens
6 or encumbrances that are or may become liens on the premises or any part thereof
7 superior to the lien of this Mortgage; that it will not suffer or commit any
8 waste of said premises. Mortgagor covenants that it will keep said property
9 insured in companies approved by Mortgagee against loss or damage by fire for
10 not less than the full insurable value with loss payable to the parties as
11 their interest may appear.

12 NOW, THEREFORE, if said Mortgagor shall keep and perform the covenants
13 herein contained and shall pay said Note according to its terms, this conveyance
14 shall be void, but otherwise shall remain in full force as a Mortgage to secure
15 the performance of all of said covenants and the payment of said Note. If the
16 Mortgagor shall fail to perform any covenant herein or to make any payment on
17 said Note or if a proceeding of any kind be taken to foreclose any lien on said
18 premises, or any part thereof, the Mortgagee shall have the right to declare
19 the whole amount unpaid on said Note or this Mortgage immediately due and pay-
20 able and this Mortgage may be foreclosed at any time thereafter. If the Mort-
21 gator shall fail to pay any taxes, assessments or charges or any lien, encum-
22 brance or insurance premium as herein provided, the Mortgagee may at its option
23 do so and any payments so made shall be added to and become a part of the debt
24 secured by this Mortgage and shall bear interest at the same rate as said Note
25 without any waiver, however, of any right accruing to the Mortgagee because of
26 said breach of covenant and this Mortgage may be foreclosed for principal, in-
27 terest and all sums paid by the Mortgagee. In the event of any suit, action or
28 proceeding being instituted to foreclose or enforce any of the provisions of
29 this mortgage, the Mortgagor agrees to pay all reasonable sums incurred by the
30 Mortgagee for title reports and title search, all costs and disbursements and
31 such further sums as the Courts, including Appellate Courts in the event of an
32 appeal or other proceeding therein, shall adjudge reasonable as the Mortgagee's

1 attorneys fees therein with all such sums to be secured by the lien of this
2 Mortgage and included in the Decree of Foreclosure or other Judgment rendered
3 therein.

4 In case suit or action is commenced to foreclose or enforce any provision
5 of this Mortgage, the Court may, upon motion of the Mortgagee, appoint a
6 receiver to collect the rents and profits arising out of said premises and to
7 care for and protect the said premises during the pendency of such suit or action,
8 and apply the same after first deducting all of said receiver's proper charges
9 and expenses to the payment of the amounts due under this Mortgage and the Note
10 secured thereby.

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

14 IN WITNESS WHEREOF, said Mortgagor has executed this Mortgage this
15 25 day of June, 1973.

GATEWAY CATTLE CO.

17 by Paul H. Holsinger
18 President

19 STATE OF OREGON)
20) SS.
County of Klamath)

June 25, 1973

21 Personally appeared PAUL L. HOLSINGER, who, being duly sworn, did say
22 that he is the Corporation President of Gateway Cattle Company, a corporation,
23 and that the seal affixed to the foregoing instrument is the corporate seal of
24 said corporation and that said instrument was signed and sealed in behalf of
said corporation by authority of its board of directors; and he acknowledged
said instrument to be its voluntary act and deed.

Before me:

William J. Brown

Notary Public for Oregon

My commission expires: Oct 2 1974

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title

this 2nd day of Oct. A. D. 1973 at 3:58 clock P.M., and

duly recorded in Vol. M73, of Mortgages on Page 13336

Wm D. MILNE, County Clerk

By Hazel W. Craig

GANDONG, SISEMORE
& ZAMSKY
ATTORNEYS AT LAW
538 MAIN STREET
KLAMATH FALLS, ORE.
97601

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Fee \$6.00