

THIS MORTGAGE, Made this 27th day of September, 1973,
by EVERETT L. LEACH and WAYNE M. COLE Mortgagor,
to RICHARD J. SMITH Mortgagee,

WITNESSETH, That said mortgagor, in consideration of THIRTY FIVE THOUSAND DOLLARS AND NO/100 (\$35,000.00) Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit: SW 1/4 less ditch and road right of ways, of Section 21, Township 39 S., Range 9 E.W.M., EXCEPTING THEREFROM: Beginning at the NE corner of the NE 1/4 of the SW 1/4 of Section 21, thence South along the easterly boundary of the said NE 1/4 SW 1/4 1100.0 feet, more or less, to the easterly boundary of the c-4-e-1 lateral, thence North 12°16' West along the East boundary of said lateral 1140 feet to the North boundary of said NE 1/4 SW 1/4, thence East 243.2 feet, more or less, to the point of beginning, being all in the NE 1/4 SW 1/4 of Section 21, T. 39 S., R 9 E.W.M.

EXCEPTING: A parcel of land situated in Section 21, T. 39 S., R. 9 E.W.M., Klamath County, more particularly described as follows: Commencing at the southwest corner of said Section 21; thence Easterly along the southerly line of said Section 21, 30 feet, more or less, to the intersection of the easterly right-of-way line of Old Midland Road, said point being the POINT OF BEGINNING for this description thence Northerly along said easterly right-of-way line, 1370 feet, more or less, to the intersection of the southerly right-of-way line of the C-4-e Klamath Irrigation District lateral; thence southeasterly along said southerly right-of-way line of the C-4-e lateral, 1682 feet, more or less, to the intersection with said southerly section line; thence westerly along the said southerly section line, 820 feet, more or less, to the point of beginning, containing approximately 17 acres.

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 and assigns forever.

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

\$35,000.00

September 27, 1973

WE, EVERETT L. LEACH and WAYNE M. COLE, the undersigned, promise to pay to the order of RICHARD J. SMITH, at Klamath Falls, Oregon, THIRTY FIVE THOUSAND DOLLARS AND NO/100 (\$35,000.00), with interest thereon at the rate of 6.5% per annum, from November 1, 1971, until paid, payable in quarterly installments of not less than \$4,000.00, said payments falling due on the 1st day of June, the 1st day of September, the first day of December and the 1st day of March of each year. Said payments shall not become payable until the whole balance due and owing on that certain contract of sale dated the 30th day of November, 1971, between the parties hereto, recorded in Volume M72, page 3774, of Klamath County Deed Records, is paid in full. The time said payments become due and payable the quarterly payments shall continue until the whole sum of principle and interest has been paid in full; if any of said installments are not paid, the whole sum of both principle and interest will 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 parties hereto agree to pay reasonable attorney's fees of the prevailing party; however, if such suit or action is filed for the collection of this note, the amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

DATED this 27th day of September, 1973.

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal and interest, according to the terms thereof; that while any part of the note secured hereby remains unpaid he 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 secured hereby, when due and payable and before the same become delinquent; that he 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 he 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 Wayne M. Cole; Everett L. Leach and Patricia C. Leach, husband and wife, and Wayne M. Cole and Joyce A. Cole, husband and wife.

13610

AND NO/100 (\$35,000.00) Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit: SW 1/4 less ditch and road right of ways, of Section 21, Township 39 S., Range 9 E.W.M., EXCEPTING THEREFROM: Beginning at the NE corner of the NE 1/4 of the SW 1/4 of Section 21, thence South along the easterly boundary of the said NE 1/4 SW 1/4 1100.00 feet, more or less, to the easterly boundary of the C-4-e-1 lateral, thence North 12°16' West along the East boundary of said lateral 1140 feet to the North boundary of said NE 1/4 SW 1/4, thence East 243.2 feet, more or less, to the point of beginning, being all in the NE 1/4 SW 1/4 of Section 21, T. 39 S., R 9 E.W.M.

EXCEPTING: A parcel of land situated in Section 21, T. 39 S., R. 9 E.W.M., Klamath County, more particularly described as follows: Commencing at the southwest corner of said Section 21; thence Easterly along the southerly line of said Section 21, 30 feet, more or less, to the intersection of the easterly right-of-way line of Old Midland Road, said point being the POINT OF BEGINNING for this description thence Northerly along said easterly right-of-way line, 1370 feet, more or less, to the intersection of the southerly right-of-way line of the C-4-e Klamath Irrigation District lateral; thence southeasterly along said southerly right-of-way line of the C-4-e lateral, 1682 feet, more or less, to the intersection with said southerly section line; thence westerly along the said southerly section line, 820 feet, more or less, to the point of beginning, containing approximately 17 acres.

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 and assigns forever.

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

13611

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:
(a) primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below),
(b) for an organization, or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

This mortgage is inferior, secondary and made subject to a prior mortgage on the above described real estate made by Federal Land Bank

to Leach & Cole Partnership, a co-partnership composed of Everett L. Leach and Wayne M. Cole, dated 25th day of Sept., 1973, and recorded in the mortgage records of the above named county in book

at page thereof, reference to said mortgage records hereby being made; the said first mortgage was given to secure a note for the principal sum of \$ 55,000.00, the unpaid principal balance thereof on the date of the execution of this instrument is \$ and no more; interest thereon is paid to 19; said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called simply "first mortgage".

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal and interest, according to the terms thereof; that while any part of the note secured hereby remains unpaid he 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 secured hereby, when due and payable and before the same become delinquent; that he 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 he 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 Wayne M. Cole; Everett L. Leach and Patricia C. Leach, husband and wife, and Wayne M. Cole and Joyce A. Cole, husband and wife.

13612

and such other hazards as the mortgagee may from time to time require, in an amount not less than \$..... in a company or companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage; second, to the mortgagee named herein and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies as aforesaid 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; the mortgagor will keep the buildings and improvements on said premises in good repair and will not commit or suffer any financing 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.

Now, therefore, it is agreed that the mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby 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 payments of the note secured hereby; it being agreed that a failure to perform any covenant herein, 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 option to declare the whole amount unpaid on said note 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, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of the mortgagor under said first mortgage, and any payment so made, together with the cost of such performance shall be added to, and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby 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. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein, mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and 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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that the mortgagor or mortgagee 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.

Mortgagee hereby agrees that toward the annual payment set forth in the note attached hereto, Mortgagors may request and the Mortgagee shall release the real property described in the mortgage herein upon the payment to Mortgagee the sum of \$750 per acre and accumulation of said lease requests.

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

and payments shall apply to payment of said annual payment, only for the calendar year in which said payments are made.

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1306 or similar.

Wayne M. Cole

Everett L. Leach

SECOND MORTGAGE

(FORM No. 925)

STATE OF OREGON
County of Klamath

I certify that the within instrument was received for record on the 9th day of OCTOBER 1973 at 2:16 P.M. and recorded in book M.73 on page 13610. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE
COUNTY CLERK

By *Richard Smith*
Deputy

STEVENS-NESS LAW FIRM FOR CO. PORTLAND, ORE.
210 N. 10th
1973

IN THE COUNTY OF Klamath, State of Oregon, on the 27th day of September 1973, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Wayne M. Cole and Everett L. Leach.

Known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they 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.

Karen Rice

Notary Public for Oregon.
My Commission expires April 24, 1977