

THIS MORTGAGE, Made this 22nd day of February, 1974, between
STILES ENTERPRISES, INC., a Corporation,
duly organized and existing under the laws of the State of Oregon, hereinafter called the
Mortgagor, and Safeco Credit Company, Inc., hereinafter called the Mortgagee,
WITNESSETH, That said mortgagor, in consideration of Ten and other (\$10.00)

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:

A piece or parcel of land situate in the SE 1/4 of Section 33, T. 38 S.,
R. 9 E.W.M. being more particularly described as follows:
Beginning at a point on the south line of Section 33, T. 38 S., R. 9 E.W.M.
from which the south 1/4 corner of said Section 33 Bears N. 89° 26' E.
13.83 feet distant; thence N. 0° 45' W. 4.0 feet to an existing iron pin
reference monument; thence N. 0° 45' W. 176.00 feet to an existing iron pin;
thence N. 89° 14' 40" E. 166.00 feet to an existing iron pin; thence N. 0°
45' 30" W. 76.50 feet to an existing iron pin on the westerly right-of-way
line of the O.C. & E. Railroad Spur as the same is presently located and con-
structed; thence following said right-of-way line along a 13.34 degree curve
to the right, the long chord of which bears N. 21° 39' 25" W. 72.70 feet, a
distance of 72.8 feet to a point; thence S. 89° 15' W. 286.55 feet to a
point; thence N. 37° 52' 10" W. 284.80 feet to a point; thence S. 89° 15' W.
285.1 feet to a point on the easterly right-of-way line of the Southern
Pacific Railroad; thence S. 0° 45' E. along said easterly right-of-way line
399.1 feet to its intersection with the northerly right-of-way line of the
O.C. & E. Railroad; thence S. 51° 58' E. along said northerly right-of-way
line 241.20 feet to its intersection with the south line of Section 33, T.
38 S., R. 9 E.W.M.; thence N 89° 26' E. 415.45 feet along said section line
to the point of beginning; containing 6.62 acres, more or less, and being
subject to all rights-of-way and/or easements of record or apparent on the
premises, together with the Easement shown upon Schedule A, identified by
Mortgagor's signature at the foot thereof, and by this reference incorporated
herein.

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 a promissory note, as follows,
following is a substantial copy and the future advances mentioned below. A promissory
note in the face amount of \$168,068.00, dated June 18, 1973, payable in
60 installments of not less than \$2717.80 in any one payment, including
the full amount of interest due on the note at the time of payment of each
installment.

The parties contemplate that Mortgagee may make future loans to Mortgagor
from time to time. Accordingly, it is expressly agreed that this Mortgage
shall secure both (1) the above-described note and (2) any and all other
loans and notes payable from Mortgagor to Mortgagee, now existing or
hereafter arising, not to exceed the aggregate sum of \$250,000.00 at any
one time. All of these described obligations, present and future, secured
by this Mortgage are, for convenience, hereinafter described in this
Mortgage as "said note."

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 except easements of
record and limited access of record,

and will warrant and forever defend the same against all persons; that it will pay said note, principal and interest, accord-
ing 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
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.

SCHEDULE A
to
MORTGAGE

EASEMENT

8930

A perpetual, non-exclusive easement and right of way for utility and road purposes over, under, and across the SERVIENT ESTATE, particularly described below, for the use and benefit of the DOMINANT ESTATE, namely the property described above on the face of this Mortgage, containing 6.62 acres, more or less, to which this easement is and shall be appurtenant.

The Servient Estate is particularly described as follows:

A piece or parcel of land for roadway purposes situate in the SE $\frac{1}{4}$ -SW $\frac{1}{4}$ of Section 33, T.38 S., R.9 E., W.M., being more particularly described as follows:

Beginning at the intersection of the southerly right-of-way line of South Sixth Street and the Westerly right-of-way line of the O.C. & E. Railroad spur, said point being also the north-easterly corner of that parcel of land conveyed at Page 8265 of Volume M68 of Klamath County Deed Records; thence N 58° 24' 45" W along the southerly right-of-way line of South Sixth Street 60 feet, more or less, to its intersection with the back of a concrete curb on the easterly side of the access street to those properties presently occupied by Midtown Imports, Inc. and Concrete Products, Inc., said intersection point being the True Point of Beginning for this description; thence following the back of curb line around a 54.5 foot radius curve to the left to the point of tangency of said curve thence S 0° 45' E along the back of curb line of a 33 foot wide (back of curb to back of curb) street and the back of curb line extended 623 feet, more or less, to the northerly line of that parcel of land designated as Parcel C on Recorded Survey No. 1921, dated December, 1973; thence S 89° 15' W along the northerly line of said Parcel C, 33.0 feet to a point on the westerly back of curb line of the afore mentioned access street as extended southerly; thence N 0° 45' W along said westerly back of curb line 675 feet, more or less, to a point; thence following the back of curb line around a 99.5 foot radius curve to the left to its intersection with the southerly right-of-way line of South Sixth Street; thence S 58° 24' 45" E along said southerly right-of-way line to the True Point of Beginning, containing 0.57 acres, more or less, and being subject to all rights-of-way and/or easements of record or apparent on the premises.

This Mortgage, originally recorded February 25, 1974, as Instrument #86282, in Vol. M-74, Page 2742, Klamath County, Oregon, is being re-recorded to add the above-described easement to the property contained in the Mortgage.

STILES ENTERPRISES, INC.

By *[Signature]*
W. Grant Watkinson, Secretary

Mortgagor

STATE OF OREGON; COUNTY OF KLAMATH; ss. re-recorded

Filed for record at request of KLAMATH COUNTY TELL CO

this 22nd day of JULY A. D., 1974 at 11:12 o'clock P. M., and duly recorded in

Vol. M 71 of MORTGAGES on Page 8928

FEE \$ 6.00

WM. D. MILNE, County Clerk

By *[Signature]* Deputy

JUL 23 1974