

THIS MORTGAGE, Made this 6th day of November, 1975,
by ROBERT L. HEATON and BILLIE J. HEATON, husband and wife,
to NORBY HEATON and ALICE HEATON, husband and wife,

Mortgagor,

WITNESSETH, That said mortgagor, in consideration of Ninety Six Thousand Four Hundred Seventy Six and 62/100-----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:

N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, Township 40 South, Range 10 East, W.M.

SUBJECT TO: Mortgage to Federal Land Bank of Spokane, dated August 23, 1972, recorded September 21, 1972, in Volume M-72, page 9867, Microfilm 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 and assigns forever.

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

\$96,476.62 Merrill, Oregon November 6, 1975.
Each of the undersigned promises to pay to the order of Norby Heaton or Alice Heaton, or to the survivor of them at Klamath Falls, Oregon, Ninety Six Thousand Four Hundred Seventy Six & 62/100-----DOLLARS, with interest thereon at the rate of none percent per annum from until paid, payable in annual installments, at the dates and in amounts as follows: 20% of the gross receipts from the sale of all crops raised on N $\frac{1}{2}$ SE $\frac{1}{4}$ and NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 40 South, Range 10 East, W.M., Klamath County, Oregon, commencing with the 1976 crops;

interest shall be paid no interest payable in addition to the payments above required, which shall continue until this note, principal and interest, is fully paid; if any of said installments is not so paid, the whole sum of both principal and interest to 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.

No.

FORM No. 168—INSTALLMENT NOTE (in odd amounts) (Oregon UCC).

SC

STEVENESS LAW PUB. CO., PORTLAND, ORE.

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note 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 above described, when due and payable and before the same may 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 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 he 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.

JOSEPH A. LANE
NOTARY PUBLIC
STATE OF OREGON
County of Lane
before me, the undersigned

