

by Thomas Brown and Diane Brown
to Frances Ong and Charlene Ong each as to an undivided one-half interest
WITNESSETH, That said mortgagee, in consideration of Forty-Three Thousand and No/100ths 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: See attached Exhibit A and by this reference incorporated herein as if fully set forth.

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:

43,000.00 Klamath Falls, Oregon March 1, 1978
I (or if more than one maker) we, jointly and severally, promise to pay to the order of Frances Ong and Charlene Ong
at Klamath County, Ore. 422 Main Street Klamath Falls, Oregon
Forty-Three Thousand and No/100ths Dollars, with interest thereon at the rate of 8 3/4 percent per annum from March 1, 1978 until paid, payable in monthly installments of not less than \$430.00 in any one payment; interest shall be paid monthly and the minimum payments above required the first payment to be made on the 1st day of April, 1978, and like payment on the 1st day of each month thereafter, until the whole sum, principal and interest has been paid; if any of said installments is not so paid, all 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, I/we promise and agree to pay, holder's reasonable attorney's fees and collection costs, even though no suit or action is filed thereon; however, if a suit or an action is filed, 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.
No prepayment penalty.

/s/ Thomas Brown
/s/ Diane Brown

FORM No. 217—INSTALLMENT NOTE.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: March 1, 1993

And said mortgagee 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 now on or which hereafter may be erected on the said premises superior to the lien of this mortgage; that he will keep the building obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee as soon as insured. Now, if the mortgagee 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, 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.

EXHIBIT "A"

- PARCEL 1: A tract of land situated in the NE 1/4 SW 1/4 of Section 10, Township 36 South, Range 6 E.W.M., more particularly described as follows: Beginning at an iron pin located at the intersection of the Easterly right of way line of Oregon State Highway No. 421 and the Southerly right of way line of "A" Street, Frontier Tracts; thence South 3°07' East along the Easterly right of way line of said highway 80 feet; thence North 85°14' East 148.5 feet; thence North 0°36' East 70 feet to the South right of way line of "A" Street; thence South 89°17' West 153 feet to the point of beginning.
- PARCEL 2: That portion of Tract A of Harriman Park, Klamath County, Oregon, more particularly described as follows: Beginning at a point in the Easterly right of way line of Dugout Lane, which is the South-west corner of Lot 3 of said Harriman Park and is marked with a half inch iron pin; thence South 50°14' West a distance of 50 feet to the Westerly right of way line of Dugout Lane; thence South 39°46' East along said right of way line to the true point of beginning of this description; thence South 34°18' West a distance of 177.7 feet, more or less, to a point which is situated on the North Bank of the artificially constructed water channel; thence, running on said North bank of said water channel North 67°12' West a distance of 75 feet to a point on said North Bank of said water channel; thence, leaving said water channel and running North 39°52' East a distance of 151.2 feet to a point on the South line of a private 30 foot wide roadway; thence, running on said South line of said private 20 foot wide roadway North 88°37' East a distance of 72.4 feet, more or less, to the true point of beginning of this description.
- PARCEL 3: A tract of land situated in the NE 1/4 SW 1/4 of Section 10, Township 36 South, Range 6 E.W.M., more particularly described as follows: Beginning at an iron pin on the Easterly line of the County Road, said point being South 0°36' West a distance of 669.4 feet, South 89°24' West a distance of 978.98 feet and North 3°07' West a distance of 205.85 feet from the center quarter corner of said Section 10; thence North 82°50' East a distance of 119.0 feet to an iron pin; thence North 11°51' West a distance of 54.5 feet, more or less, to an iron pin on the Southerly line of that tract of land described in Deed Volume 301 page 210, Klamath County Deed Records; thence South 85°14' West along said Southerly line a distance of 110.5 feet, more or less, to an iron pin on the Easterly line of the County Road, said point also being the Southwesterly corner of that tract of land described in said Deed Volume 301 page 210; thence South 3°07' East along the Easterly line of the County Road a distance of 59.05 feet, more or less, to the point of beginning Frontier Tracts.
- PARCEL 4: A tract of land situated in the NE 1/4 SW 1/4 of Section 10, Township 36 South, Range 6 E.W.M., more particularly described as follows: Beginning at an iron pin on the Easterly line of the County Road, said point being South 0°36' West a distance of 669.4 feet, South 89°24' West a distance of 978.98 feet and North 3°07' West a distance of 146.8 feet from the center quarter corner of Section 10; said point being the most Westerly corner of that tract of land described in Deed Volume 325 page 89, Klamath County Deed Records; thence, North 80°46' East along the property line described in Deed Volume 325 page 89 a distance of 127.7 feet to an iron pin; thence North 11°51' West a distance of 54.5 feet to an iron pin; thence South 82°50' West a distance of 119.0 feet, more or less, to an iron pin on the Easterly line of the County Road; thence South 3°07' East along the Easterly line of the County Road a distance of 59.05 feet, more or less, to the point of beginning.
- Subject, however, to the following:
1. Agreement between Herbert Fleishhacker and May Belle Fleishhacker, husband and wife, and The California Oregon Power Company, a corporation, dated January 25, 1924, recorded February 15, 1924, in Deed Volume 63, page 460, records of Klamath County, Oregon, relative to the raising and lowering of the water of Upper Klamath Lake between the elevation of 4137 and 4143.3 feet above sea level.
 2. Agreement between Klamath Development Co., a corporation and Herbert Fleishhacker, dated January, 1917, recorded August 15, 1917, in Volume 3 of Miscellaneous Records, page 275, records of Klamath County, Oregon, granting "The perpetual right to maintain said pipe line extending from that certain reservoir or water tank situate in the SE 1/4 NW 1/4 of Section 3, Township 36 South, Range 6 E.W.M., approximately 200 feet from the head of Pelican Creek and leading across the NE 1/4 of Section 3 aforesaid and Lot 4 of Section 2, said Township and Range to the land of second party, situated in said Lot 4 of Section 2."
 3. Agreement between Gus G. Johnson and Olive M. Johnson, husband and wife, first parties, and Raymond W. Sykes, second party, dated October 27, 1952, recorded December 19, 1952, in Deed Volume 258 page 287, and as corrected by Agreement between Olive M. Johnson and

