

50784 31007
THIS MORTGAGE Made this 16th day of June, 1978.
BY: Klamath Valley Rental Service, Inc., a Corporation

WITNESSETH That said mortgagor, in consideration of TWO HUNDRED THOUSAND and No/100 (\$200,000.00) 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:

Beginning on the South line of Shasta Way at a point 243 feet west of the Northeast corner of Lot 14 in Block "C" of HOMECREST, Klamath County, Oregon; thence is a Southeasterly direction along the Southwesterly line of parcel conveyed to the State of Oregon, by and through its State Highway Commission, by deed recorded October 14, 1946, Vol. 197, page 89, to a point on the North line of the U. S. Government Right of Way for main irrigation canal, said point being North 76 degrees 10 minutes West 140 feet from the Southeast corner of said Lot 14; thence Northerly along the line of said U. S. Canal to the South line of said Shasta Way; thence East along the South line of Shasta Way to the place of beginning, being all of that portion of Lots 11 and 12 and 13 of Block "C" of HOMECREST, not heretofore conveyed to the Oregon State Highway Commission.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging 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:

EXHIBIT "A" ATTACHED HERETO.

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 premises, the mortgagor 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 any or more financing statements pursuant to the Uniform Commercial Code, its amendments 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 title officers or searching agencies as may be deemed desirable by the mortgagee.

IN WITNESS WHEREOF, the mortgagor has hereunto set his hand and seal this 16th day of June, 1978.

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Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note 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 the covenants and the payment of said note; 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 mortgagee may at his option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note 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 mortgagee 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 mortgagee 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 mortgagee further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees. 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 and their heirs, executors, administrators and assigns.

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 mortgagee or mortgagees 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.

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

ALADDIN'S VALLEY RENTAL SERVICE, INC., a Corporation
by R. J. HALVORSEN, President
LOIS E. HALVORSEN, Secretary

IMPORTANT NOTICE: Deeds, by being set, which warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgage is a creditor, as such word defined in the Trusts-Lending Act and Regulation 2, the mortgagee MUST comply with the Act and Regulation by making covered disclosures for this purpose. If this form is not filled out, the mortgagee is not a first lien, per Stevens-Pearce Form No. 1305 or equivalent. If this instrument is NOT to be a first lien, per Stevens-Pearce Form No. 1305 or equivalent, it is required to state the reason therefor.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee and his heirs and assigns forever.

STATE OF OREGON, County of Klamath

BE IT REMEMBERED, That on this 16th day of June, 1978, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named R. J. HALVORSEN and LOIS E. HALVORSEN

known to me to be the identical individual 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.

[Signature]
Notary Public for Oregon
My Commission expires 11-23-82

MORTGAGE
STATE OF OREGON
County of Klamath

Aladdin Valley Rental Service, Inc.
25000 000 00
1313 Pine Grove Road
Klamath Falls, OR 97601

I certify that the within instrument was received for record on the 16th day of June, 1978, at 10:00 o'clock A.M., and recorded in book 12 on page 1 of an Abstract of said County. Witness my hand and seal of June 16, 1978 Title Aladdin Valley Rental Service, Inc. By R. J. Halvorsen Deputy.