

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.

Now, if the sum of money due upon said instrument shall be paid according to the agreement therein expressed, this conveyance shall be void; but in case default shall be made in payment of the principal or interest or any part thereof as above provided, then the said

and legal representatives, or assigns may foreclose the Mortgage and sell the premises above described with all and every of the appurtenances or any part thereof, in the manner prescribed by law, and out of the money arising from such sale, retain the said principal, interest and attorney's fees as provided in said note, together with the costs and charges of making such sale and the surplus, if there be any, pay over to the said Richard J. Smith heirs or assigns.

Witness my hand this day of October, 1978.

*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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

Randall R. McNair

MORTGAGE
(FORM No. 7)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

TO

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 20th day of October, 1978, at 3:29 o'clock P.M., and recorded in book M78 on page 23647 or as file number 57076. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

Title.

Brenda J. Smith Deputy.

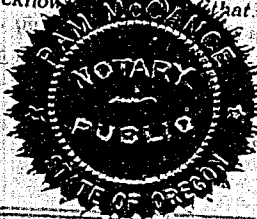
AFTER RECORDING RETURN TO
Fee \$6.00

RICHARD J. SMITH
210 N. 4TH
KFO
2-6607

STATE OF OREGON,

County of Klamath

BE IT REMEMBERED, That on this 19th day of October, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Randall McNair known to me to be the identical individual described in and who executed the within instrument and acknowledged that he 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.

Pam McCane

Notary Public for Oregon.

My Commission expires 8/1/82