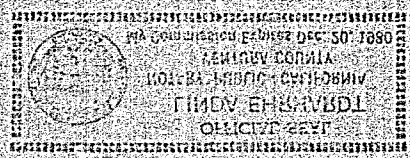


Vol. 779 Page 25631
 THIS MORTGAGE, Made this 26th day of March, 1979,
 by Lyman C. Mason and Kathleen Mason, husband and wife,
 to Michael A. O'Keefe and Ada L. O'Keefe

WITNESSETH, That said mortgagor, in consideration of ninety thousand (90,000) 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:

As described on the attached Exhibit "A" which is incorporated herein by reference.



Notary Public for the State of Oregon
 [Signature]

BE IT REMEMBERED that on this 26th day of March, 1979, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared Lyman C. Mason and Kathleen Mason, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

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 (1) promissory note, of which the following is a substantial copy:

FOR VALUE RECEIVED the undersigned promises to pay to Michael A. O'Keefe and Ada L. O'Keefe, or order, at Camarillo, California, or at such other place as the holder of this note may designate in writing, the sum of ninety thousand dollars (\$90,000.00) with interest from March 26, 1979, on the unpaid principal at the rate of seven and one-half percent (7.5%) per annum. Principal shall be payable in nine (9) equal installments of ten thousand dollars (\$10,000.00), each. Such principal installments, together with all then accrued interest, shall be due and payable commencing on April 15, 1980, and continuing on the 15th day of each succeeding April, through and including April 15, 1988, at which time the entire unpaid balance of principal together with all then accrued interest if any, shall be due and payable.

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: April 15, 1988.

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.

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, therefore, it 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 of said 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 mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, 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 mortgagor 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 mortgagor 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, mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

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 respectively.

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 mortgagor or mortgagee 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.

Lyman G. Mason
Kathleen Mason

IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable, and if the mortgage is a credit, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation Z 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.

STATE OF ~~OREGON~~ CALIFORNIA
County of Ventura

BE IT REMEMBERED, That on this 23rd day of May, 1979, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Lyman G. Mason and Kathleen Mason

known to me to be the identical individual(s) 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.



Linda Ehrhardt
Notary Public for ~~OREGON~~ CALIFORNIA
My Commission expires 12/20/80

MORTGAGE

(FORM No. 105A)

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

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.
MORTGAGE (FORM No. 105A)
MAY 23 1979

AFTER RECORDING RETURN TO
WILLIAM R. BRANDNESS
A Professional Corporation
Attorney At Law
414 Pine
Klamath Falls, OR 97601

STATE OF OREGON

on the 23rd day of May, 1979, at Ventura County of California ss.

I certify that the within instrument was received for record on the 23rd day of May, 1979, at 10:00 o'clock A.M., and recorded in book 100 on page 100 or as file/reel number 100.
Record of Mortgages of said County.
Witness my hand and seal of County affixed.
Title
By Lyman G. Mason
Deputy

EXHIBIT A

25633

The following described real property situated in Klamath County, Oregon:

PARCEL 1: The N-1/2 NW-1/4; NW-1/4 NE-1/4 of Section 13, Township 35 South, Range 9 East of the Willamette Meridian.

That portion of the NE-1/4 of Section 14, Township 35 South, Range 9 East of the Willamette Meridian, lying Easterly of the thread of Sprague River; SAVING AND EXCEPTING therefrom that portion which lies between Sprague River and the Chiloquin-Sprague River Highway and Northerly of a line described as beginning in the center of Chiloquin-Sprague River Highway at a point that is 118-1/2 feet Northwesterly of the center of a cattle guard; said cattle guard being near the East line of said Section 14, in said road; thence extending South 70° West to the center of Sprague River.

PARCEL 2: The North 489.5 feet of the SE-1/4 NW-1/4 and the North 489.5 feet of the S-1/2 NE-1/4 of Section 13, Township 35 South, Range 9 East of the Willamette Meridian. TOGETHER WITH a strip of land 60 feet in width described as follows: Beginning at a point 489.5 feet South of the Northwest corner of the SE-1/4 NW-1/4 of Section 13, Township 35 South, Range 9 East of the Willamette Meridian, thence East 60 feet parallel to the North line of said SE-1/4 NW-1/4, thence South parallel with the West line of said SE-1/4 NW-1/4 to the Northerly boundary line of the Chiloquin-Sprague River Highway, thence Northwesterly along said Northerly boundary line of the said Chiloquin-Sprague River Highway to the West line of said SE-1/4 NW-1/4, thence North to the point of beginning.

PARCEL 3: The S-1/2 NW-1/4, NW-1/4 SW-1/4, E-1/2 SW-1/4, W-1/2 SE-1/4, SW-1/4 NE-1/4, Section 12, Township 35 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

filed for record ~~XXXXXX~~

this 30th day of October A. D. 1979 at 4:24 o'clock P. M., and

fully recorded in Vol. M79, of Mortgages on Page 25631

Wm D. MILNE, County Clerk

Fee \$10.50

By Bernetha D. Hulsch