

THIS MORTGAGE, Made this 16th day of September, 1981, between EDELWEISS, INC., a Corporation, duly organized and existing under the laws of the State of California, hereinafter called the Mortgagor, and BILL B. HARP and ROSELYN M. HARP, hereinafter called the Mortgagee, WITNESSETH, That said mortgagor, in consideration of One Hundred Ten Thousand & No/100ths (\$110,000) Dollars, to it paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators, successors and/or assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows:

PARCEL I: In Township 41 South, Range 10 East of the Willamette Meridian in the County of Klamath, State of Oregon:

Section 12: Lots 8, 9 and that portion of Lot 7 lying South of and adjacent to Southern Pacific Railroad right-of-way

In Township 41 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 7: A portion of Lot 11 described as follows: Beginning at the quarter section corner on the West boundary of Section 7, thence due East 660 feet; thence due South 132 feet to the left or North Bank of Lost River; thence following the meander line of said river up stream to its intersection with the West boundary of Section 7; thence North following said West Boundary line to the POINT OF BEGINNING.

PARCEL II: The N $\frac{1}{2}$ SE $\frac{1}{4}$  and Lots 4 and 5 of Section 7, Township 41 South, Range 11 East of the Willamette Meridian, EXCEPTING THEREFROM those portions deeded to United States of America in Deed Volume 38 age page 277 and 278 and Deed Volume 58 at page 434

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, successors and/or assigns forever.

This mortgage is intended to secure the payment of that promissory note of which the full text is attached hereto as a copy of which is attached hereto, marked as "Exhibit A" and by this reference incorporated herein and made a part hereof.

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: September 16, 1991.

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators, successors and/or assigns, that it 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 it will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid it 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 it 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 it 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 it 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.

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 of said covenants and the payment of said note; it being agreed that upon a failure to perform any covenant herein, or if 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 claim 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 such 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, successors and/or 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 to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

In construing this mortgage, it is understood that the 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, EDELWEISS, INC., a corporation, pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its ~~President and Secretary~~ and its corporate seal to be hereunto affixed this 21st day of September, 19 81,

EDELWEISS, INC., a corporation,

By

President

By Richard Saveri

Secretary

10RS 93,490

STATE OF CALIFORNIA, County of SAN FRANCISCO ss.

Personally appeared

RICHARD SAVERI

September 21, 1981

who being duly sworn (or affirmed) did say that he is the

SECRETARY

(President or other officer or officers)

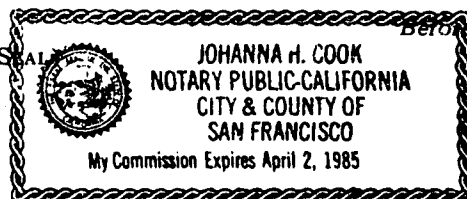
of

EDELWEISS, INC.

(Name of corporation)

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.

(OFFICIAL SEAL)



Before me:

Johanna H. Cook  
Notary Public for California  
My commission expires April 2, 1985

## MORTGAGE

Corporation

(FORM No. 75A)

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

TO

AFTER RECORDING RETURN TO

Transamerica  
Money Loan

SPACE RESERVED  
FOR  
RECORDER'S USE

## STATE OF OREGON

County of

ss.

I certify that the within instrument was received for record on the day of September, 19 81,

at 10 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

Deputy.

PROMISSORY NOTE

17076

\$110,000.00

Klamath Falls, Oregon

September 16, , 1981

I, the undersigned, promise and agree to pay to the order of BILL B. HARP and ROSELYN M. HARP, husband and wife, at Klamath Falls, Oregon, One Hundred Ten Thousand and No/100ths (\$110,000.00) DOLLARS, with interest thereon at the rate of 9% per annum from September 16, 1981 until paid; payable in annual installments of not less than \$15,201.12 in any one payment; interest shall be paid annually and is included in the minimum payments above required; the first payment to be made on the 16th day of September 1982, and a like payment on the 16th day of each September thereafter. The entire sum, both principal and interest, to be paid in full on or before the 16th day of September, 1991. If any of said payments are 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 promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; 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.

EDELWEISS, INC., a corporation

X By: Richard Allen President  
a. By: Richard Allen Secretary

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~at request of~~

this 24th day of Sept. A.D. 1981 at 11:24 AM.

duly recorded in Vol. M-81 of Mortgages on page 17074

Fee \$12.00

By Develyn Biehn County Clerk