

This mortgage made NOV 17th, 1983, by WILLIAM R. PRICE, Mortgagor, of 75-5722 Kuakini Highway, Suite 102, Kailua-Kona, Island, County and State of Hawaii, to RICHARD L. TRETHERWAY, Mortgagee, of 75-5722 Kuakini Highway, Suite 108, Kailua-Kona, Island, County and State of Hawaii.

WITNESSETH, that Mortgagor, in consideration of TEN THOUSAND DOLLARS (\$10,000.00) paid to him by Mortgagee, hereby grants, bargains, sells, and conveys to Mortgagee, his heirs, personal representatives and assigns, that certain real property situated in the County of Klamath, State of Oregon, bounded and described as follows:

The S1/2S1/2 NW1/4 SE1/4 of Section 16, Township 23 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

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 on the 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 premises with the appurtenances to Mortgagee, his heirs, personal representatives and assigns forever.

This mortgage is intended to secure the payment of a promissory note of even date herewith in said amount.

And Mortgagor covenants to and with Mortgagee, his heirs, personal representatives and assigns that he is lawfully seized in fee simple of the premises and has a valid unencumbered title thereto and will warrant and forever defend the same against all persons; that he will pay the note, principal and interest according to the terms thereof; that while any part of the note remains unpaid he will pay all taxes, assessments, and other charges of every nature that may be levied or assessed against the 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 all liens an 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 he premises continuously insured against loss or damage by fire and such other hazards as 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 Mortgagee, with loss payable first to Mortgagee and then to Mortgagor as their respective interests may appear; all policies of insurance shall be delivered to Mortgagee as soon as insured.

Now, if Mortgagor shall fail for any reason to procure any such insurance and to deliver the policies to Mortgagee at least ten (10) days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, Mortgagee may procure the same at Mortgagor's expense.

Now, therefore, if Mortgagor keeps and performs the covenants herein contained and pays the note according to its terms, this conveyance shall be void; otherwise it shall remain in full force as a mortgage to secure the performance of all of the covenants and the payment of the note; if Mortgagor fails to perform any covenant herein, or if a proceeding of any kind is taken to foreclose any lien on the premises or any part thereof, Mortgagee shall have the option to declare the whole amount unpaid on the note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. If Mortgagor fails to pay any taxes or charges or any lien, encumbrance, or insurance premium as above provided for, 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 the note without waiver, however, of any right arising

14
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to Mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest, and all sums paid by Mortgagee at any time while Mortgagor neglects to repay any sums so paid by Mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, Mortgagor agrees to pay all reasonable costs incurred by 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.

All of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators, and assigns of Mortgagor and/or Mortgagee, respectively.

In case suit or action is commenced to foreclose this mortgage, the court may, on motion of Mortgagee, appoint a receiver to collect the rents and profits arising out of the premises during the pendency of such foreclosure, and apply the same, after first deducting all of the receiver's property charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that 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 change shall be made, assumed, and implied to make the provisions hereof apply equally to corporations and to individuals.

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

William R. Price
WILLIAM R. PRICE

STATE OF HAWAII)
) SS.
COUNTY OF HAWAII)

On this 17th day of NOVEMBER, 1983, before me personally appeared WILLIAM R. PRICE who satisfactorily proved to me to be the person described in and who executed the foregoing instrument and who acknowledged that he executed the same as his free act and deed.

Nauf J. Connor
Notary Public, State of Hawaii

My commission expires: 8/30/87

MORTGAGE

WILLIAM R. PRICE

to

RICHARD L. TRETHEWAY

After Recordation, Return To:

COHN, SMITH & SEITER
Attorneys at Law
Kuakini Tower, Suite 101
75-5722 Kuakini Highway
Kailua-Kona, Hawaii 96740

STATE OF OREGON,)
County of Klamath)

Filed for record at request of

on this 21st day of NOV. A.D. 19 83
at 10:14 o'clock A M, and duly
recorded in Vol. M83 of Mortgages
age 19914

EVELYN BIEHN, County Clerk

By Patricia Smith Deputy

Fee 8.00