

THIS MORTGAGE, made this 7th day of March, 1985, by CARL D. KINNEY and KERRY J. KINNEY, husband and wife, Mortgagor to MAX M. BENEDICT and GEORGIA BENEDICT, husband and wife, Mortgagee,

WITNESSETH, that said Mortgagor, in consideration of the sum of Eighty Eight Thousand and No/100 (\$88,000.00) 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:

The Northeast one-quarter of the Northeast one-quarter of Section 31 and the North one-half of the Northwest one-quarter of Section 32, Township 39 South, Range 11½ East of the Willamette Meridian in the County of Klamath, State of Oregon.

EXCEPT THEREFROM that portion of the Northeast one-quarter Northwest one-quarter of said Section 32 at a point thereon distant 30 feet South of the quarter corner between Sections 29 and 32 of Township 39 South, Range 11½ East of the Willamette Meridian; thence South 300 feet; thence West 145 feet; thence North 300 feet; thence East 145 feet to the point of beginning, together with,

A non-exclusive easement for ingress and egress over and over across a 30 foot wide strip of land in Section 32, Township 39 South, Range 11½ East Willamette Meridian, County of Klamath, State of Oregon, being 15 feet on each side of the following described centerline.

Beginning at a point on the East boundary of the NE¼SW¼ Section 32 from which the center ¼ corner Section 32 bears N00°12'47"W--15.00 feet; thence S89°53'23"W--398.60 feet and parallel to and 15.00 feet distance from the North boundary of the NE¼SW¼ Section 32 to a point of curvature, thence Southwesterly--212.04 feet along the arc of 149.99 foot radius curve to the left (the long chord bears S49°23'23"W--194.82 feet) to the point of tangency, thence S8°53'23"W--253.25 feet to a point of curvature, thence Southwesterly and Northwesterly --294.00 feet along the arc of a 114.59 foot radius curve to the right (the long chord bears S82°23'23"W 219.74 feet) to the point of tangency, thence N24°06'37"W--346.30 feet to a point of curvature, thence Northwesterly--172.78 feet along the arc of a 149.99 foot radius curve to the left (the long chord bears N57°06'37"W--163.38 feet) to the point of tangency,

thence S89°53'23"W--243.10 feet and parallel to and 15.00 feet distance from the North boundary of the NE¼SW¼ Section 32 to the intersection of the West boundary of the NE¼SW¼ Section 32, to point of ending.

AND an easement for ingress and egress over a 30 foot right of way on the Northerly side of NE¼SW¼ Section 32, Township 39 South Range 11½ East of the Willamette Meridian, as described in Deed Volume M79 page 15172 and 15173. AND a non-exclusive easement for ingress and egress over and across a 30 foot strip along the East boundary of the SW¼ NW¼ and along the North 30 feet of the East boundary of the NW¼SW¼ Section 32, Township 39 South Range 11½ East of the Willamette Meridian,

subject to:

1. The assessment roll and the tax roll disclose that the premises herein described have been specially assessed as Farm Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied; in addition thereto a penalty may be levied if notice of disqualification is not timely given.
2. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Irrigation District.
3. The premises herein described are within and subject to the statutory powers, including the power of assessment of Poe Valley Improvement District.
4. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Basin Improvement District.
5. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
6. A Perpetual Non-exclusive Easement for ingress and egress including the terms and provisions thereof,
Dated: June 26, 1979
Recorded: June 27, 1979
Volume: M79, page 15171, Microfilm Records of Klamath County, Oregon
By: Oscar Hughett and Oreatha Lewis Hughett, husband and wife
Between: Max M. Benedict and Georgia Benedict, husband and wife
7. As easement created by instrument, including the terms and provisions thereof,
Dated: August 15, 1979
Recorded: August 22, 1979
Volume: M79, page 19942, Microfilm Records of Klamath County, Oregon
In favor of: Max M. and Georgia Benedict
For: Perpetual non-exclusive ingress-egress easement 30.00 feet wide.

Together with all and singular tenements, hereditaments, and appurtenances thereto 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 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:

NOTE

\$88,000.00

Klamath Falls, Oregon
March 7th, 1985.

We, jointly and severally, promise to pay to the order of MAX M. BENEDICT and GEORGIA BENEDICT, or the survivor thereof, the principal sum of Eighty eight thousand and no/100 (\$88,000.00) Dollars, with interest on the unpaid principal balance from the date of this note, until paid, at the rate of nine and three fourths (9 3/4%) percent per annum. Principal and interest shall be payable at Klamath Falls, Oregon, or such other place as the Note holder may designate, in consecutive monthly payments of Eight hundred ten and 74/100 (\$810.74) Dollars on the 7th day of each month beginning April, 1985. Such monthly installments shall continue until the entire indebtedness evidenced by this note is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on March 7th 2007.

If any monthly installment under this note is not paid when due, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the Note holder. The Note holder may exercise this option to accelerate during any default by the undersigned regardless of any prior forbearance. If suit is brought to collect this Note, the Note holder shall be entitled to collect all reasonable costs and expenses of suit, including but not limited to reasonable attorneys fees.

The Undersigned shall pay to Note holder a late charge of five (5%) percent of any monthly installment not received by Note holder within fifteen (15) days after the installment date.

The Undersigned may prepay the principal amount outstanding in whole or in part. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent monthly installments or change the amount of such installments, unless the Note holder shall otherwise agree in writing. Notwithstanding the foregoing, in event the undersigned pays over

\$33,000.00 on this Note during the calendar year of 1985, then the Undersigned agrees to pay the additional tax consequences of the Note holder due to the additional payment.

The indebtedness evidenced by this Note is secured by a Mortgage, dated March 7th, 1985.

/s/ CARL D. KINNEY
CARL D. KINNEY

/s/ KERRY J. KINNEY
KERRY J. KINNEY

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment comes due, to-wit: March 7th, 2007.

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 or satisfy any and all liens and 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 and improvements on said premises in good repair and will not commit or suffer any waste of said premises, including, but not limited to, the removal of any trees, except those necessary for road construction, homesite and safety purposes.

The mortgagor warrants that the proceeds of the loan represented by the above described note and mortgage are primarily for the mortgagor's personal, family, household or agricultural purposes.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay the 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 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 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 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 attorneys 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 attorneys 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 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 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 generally the grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and individuals.

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

Return:
MTC

Carl D. Kinney by Kerry J. Kinney
CARL D. KINNEY his attorney in fact
Kerry J. Kinney
KERRY J. KINNEY

STATE OF OREGON)
County of Klamath) ss.

March 7th, 1985.

Personally appeared the above named ~~CARL D. KINNEY~~ and ~~KERRY J. KINNEY~~, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

BEFORE ME:

for herself and
as power of attorney
for Carl D. Kinney

NOTARY PUBLIC FOR OREGON
My Commission Expires: 7/1/85

STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 8th day of March A.D., 1985 at 11:39 o'clock A.M., and duly recorded in Vol. M85, of Mortgages on page 3457.

EVELYN BIEHN, COUNTY CLERK

Fee: \$ 21.00

by: Pam Smith, Deputy