

THIS MORTGAGE, Made this 22nd day of March, 1985  
 by Jerry Wayne Stacey and Junie Kay Stacey, as tenants by the entirety  
 to South Valley State Bank  
 hereinafter called Mortgagor,  
 hereinafter called Mortgagee,

WITNESSETH, That said mortgagor, in consideration of Fifteen Thousand and No./100  
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 prop-  
 erty situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

That portion of Government Lots 10 and 11, Section 34, Township 34 South, Range 7  
 East of the Willamette Meridian, Klamath County, Oregon, lying East of the Great  
 Northern - Southern Pacific Railway right of way.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining,  
 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 a certain promissory note, described as follows:

Note in the name of Forest Culturalist, Inc. dated March 22, 1985 in the amount of  
 \$15,000.00 with the maturity of August 1, 1985.

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:  
August 1, 1985.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(a) ~~primarily for mortgage purposes, namely, household or agricultural purposes (see Instructions, Article 10).~~

(b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

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 may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire, with extended coverage.

In the sum of \$ 15,000.00 in a company or companies acceptable to the mortgagee, and will  
 have all policies of insurance on said property made payable to the mortgagee as his interest may appear and will deliver all policies of insurance on said  
 premises to the mortgagee as soon as insured; that he will keep the building and improvements on said premises in good repair and will not commit or suffer  
 any waste of said premises. 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 pay-  
 ment of said note; if being agreed that a failure to perform any covenant herein, or if proceedings of any kind be taken to foreclose on any lien on said pre-  
 mises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note and 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 of any lien, encumbrances or insur-  
 ance 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 losing party in such suit or action agrees to pay all reasonable costs  
 incurred by the prevailing party therein for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may  
 adjudge reasonable as the prevailing party's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein the  
 losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal, all such  
 sums to be included in the court's decree. Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, adminis-  
 trators 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,  
 first deducting all proper charges and expenses attending the execution of said trust, as the court may direct in its judgment or decree.

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.

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or  
 (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST  
 comply with the Truth-in-Lending Act and Regulation Z by making re-  
 quired disclosures; for this purpose, if this instrument is to be a FIRST  
 lien to finance the purchase of a dwelling, use S-N Form No. 1305 or  
 equivalent; if this instrument is NOT to be a first lien, use S-N Form  
 No. 1306, or equivalent.

STATE OF OREGON, County of Klamath, ss: March 22, 1985

Personally appeared the above named Jerry Wayne Stacey and Junie Kay Stacey

and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: Teri L. Stockton Notary Public for Oregon

(NOTARIAL SEAL)

My commission expires: 3-14-87

## MORTGAGE

TO

(DON'T USE THIS  
 SPACE; RESERVED  
 FOR RECORDING  
 LABEL IN COUN-  
 TIES WHERE  
 USED.)

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK  
 5215 SOUTH SIXTH STREET  
 KLAMATH FALLS OR 97603

STATE OF OREGON

County of Klamath ss.

I certify that the within instru-  
 ment was received for record on the  
 27th day of March, 1985,  
 at 8:36 o'clock AM., and recorded  
 in book M85 on page 4441  
 or as file number 47177,  
 Record of Mortgages of said County.

Witness my hand and seal of  
 County affixed.

Evelyn Biehn  
 Klamath County Clerk Title  
 By Teri L. Stockton Deputy

Fee: \$5.00