

THIS MORTGAGE, Made this 4th day of March, 1986,  
by KENNETH R. BLACK AND MARCIA BLACK as tenants by the entirety  
hereinafter called Mortgagor,  
to SOUTH VALLEY STATE BANK  
hereinafter called Mortgagee,

WITNESSETH, That said mortgagor, in consideration of One Hundred 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:

See attached Exhibit "A" by this reference made a part hereof.

This document is one of six security a loan to Kenneth R. & Marcia Black dated March  
4, 1986 in the amount of \$100,000.00 maturing on May 30, 1993.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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 a certain promissory note, described as follows:

Note dated March 4, 1986 to Kenneth R. & Marcia Black in the amount of \$100,000.00 with  
a maturity date of May 30, 1993.

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:  
May 30 1993.

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

(a) for the purchase of real estate, land, or interest in real estate for 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.

And said mortgagee covenants to and with the mortgagor, 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 \$ 100,000.00 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 covenant 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 he fails to do so, he shall be deemed to have agreed that a future to perform an covenant herein, or if proceedings of any kind be taken to foreclose on any lien on said prem-  
ises 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 mortgagee shall fail to pay any taxes or charges of any lien, encumbrances or insur-  
ance premium as above provided for, the mortgagor may, at his option, to 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 mortgagor at any time while the mortgagor neglects to repay  
any sums so paid by the mortgagor.

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, administra-  
tors 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  
person 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 (AUST  
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

Personally appeared the above named

Kenneth R. Black and Marcia J. Balch

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

Before me: Terris L. Stokelson Notary Public for Oregon

My commission expires: 3-14-87

(NOTARIAL SEAL)

## MORTGAGE

TO

(DO NOT 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 ----- } ss.

I certify that the within instru-  
ment was received for record on the  
day of ----- 1986  
at ----- o'clock ----- M., and recorded  
in book/reel/volume No. ----- on  
page ----- or as document/fee/file/  
instrument/microfilm No. -----  
Record of Mortgages of said County.

Witness my hand and seal of  
County affixed.

NAME

TITLE

By ----- Deputy

## EXHIBIT "A" DESCRIPTION

A parcel of land situate in the South half of Southwest quarter of Northwest quarter of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Commencing at the Southwest corner of the Northwest quarter of said Section 20; thence North 00°21'40" East along the West line of said Section 20, 301.29 feet; thence leaving said West line North 89°56'43" East 35.00 feet to the Easterly right of way line of the County Road and the point of beginning of this description; thence continuing North 89°56'43" East 1302.05 feet; thence South along the East line of said South half of Southwest quarter of Northwest quarter to the Southeast corner thereof; thence West along the South line of said South half of Southwest quarter of Northwest quarter to the Easterly right of way line of said County Road; thence North along the Easterly line of said county road to the point of beginning of this description.

EXCEPTING THEREFROM a parcel of land situated in the Northwest quarter of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Commencing at a bolt at the intersection of the centerlines of Reeder Road and Short Road, county roads, and marking the Southwest corner of said Northwest quarter; thence South 89°59'50" East along the South line of said Northwest quarter, 30.00 feet to the Easterly right-of-way line of said Reeder Road; thence North 00°21'40" East along said right-of-way line, 158.56 feet to the point of beginning for this description; thence continuing North 00°21'40" East along said right-of-way line, 142.76 feet; thence North 89°56'43" East, 1307.05 feet to a 5/8 inch iron pin; thence South 00°17'02" West along the East line of the Southwest quarter Northwest quarter, 143.42 feet to a 1/2 inch iron pin; thence South 89°58'27" West 1307.24 feet to the point of beginning.

ALSO EXCEPTING THEREFROM that certain lateral constructed or to be constructed by the United States running down the West line of Section 20 to the Northwest corner of the Southwest quarter of said Section 20, a strip 10 feet wide on each side of center line being required therefore, and also all canals and ditches of the Old Ankeny System as conveyed to the United States of America by deed recorded December 21, 1907 in Volume 23, page 403, Deed Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of March A.D., 19 86 at 1:16 o'clock P M., and duly recorded in Vol. 11th day 11th of March A.D., 19 86 on Page 4019

By Evelyn Biehn, County Clerk

FEE

\$9.00