

THIS MORTGAGE made this 22 day of October, 19 86,  
between William R. Smith, Mortgagor,  
to CP NATIONAL CORPORATION, a California corporation, (CP National),  
Mortgagee, WITNESSETH:

That said Mortgagor having contracted with CP National  
for certain Home improvements for and in consideration  
of the sum of Three thousand three hundred thirty four Dollars  
(\$ 3,334.00), does hereby grant, bargain, sell and convey  
unto said Mortgagee, that certain property situated in KLAMATH  
County, State of Oregon, being described as follows, to-wit:

Street Address: 2501 Montelius

Legal Description:

Portion SW 1/4 SW 1/4, Section 20, Township  
38, Range 9.

DEED # 320-3

This conveyance is intended as a mortgage to secure the  
payment of the Mortgagor's obligations under the retail install-  
ment contract between CP National and Mortgagor dated October 22,  
19 86. The date of maturity of the debt secured by this mortgage  
is the date upon which the last retail installment contract becomes  
due, to-wit: November, 19 91.

This mortgage is subject to any and all prior liens, and  
encumbrances of record on the above described property but shall  
have priority over all other and subsequent liens and encumbrances.

When the Mortgagor shall pay all sums, including principal  
and interest, owing to Mortgagee in accordance with the terms of  
the aforementioned retail installment contract, this conveyance  
shall become void; but in case default shall be made in the pay-  
ment of the principal or interest or any part thereof under the  
terms of said contract, then the said Mortgagee may foreclose  
this mortgage and sell the premises above described with all and  
every of the appurtenances or any part thereof, in the manner  
prescribed by law, and out of the money arising from such sale,  
retain the said principal, interest and actual reasonable costs  
of collection as provided in said retail installment contract,  
together with the costs and expenses of such foreclosure proceedings  
and the sale of the said premises, including reasonable attorneys'  
fees, and the surplus, if any, shall be paid over to said Mortgagor  
or Mortgagor's heirs or assigns.

WITNESS my hand        this 22 day of October, 19 86.

William R. Smith

STATE OF OREGON )

COUNTY OF KLAMATH ) ss:

The foregoing instrument was acknowledged before me this  
22 day of October, 19 86, by William R. Smith.

NOTARY PUBLIC FOR OREGON Bette Phillips My Commission expires 8-30-89

FOR RECORDING USE ONLY

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of        the 17th day  
of November A.D., 19 86 at 3:16 o'clock P. M., and duly recorded in Vol. M86,  
of        Mortgages on Page 21006.

FEE \$5.00

Evelyn Biehn, County Clerk  
By William R. Smith

Return to: C P National, P. O. Box 310, Klamath Falls, Or 97601