

REAL ESTATE MORTGAGE

WITNESSETH: That FRED M. LLOYD AND BARBARA L. LLOYD

hereinafter called the mortgagors, whether singular or plural, in consideration of the sum of ***** FIFTY THOUSAND & NO/100 ***** DOLLARS, to them paid, by DANIEL D. HALLEY AND MARY L. HALLEY

hereinafter called mortgagees, whether singular or plural, do grant, bargain, sell and convey unto said mortgagees, the following described real property, situated in Lane County, State of Oregon, to-wit: See legal description attached hereto and by this reference incorporated herein.

(IF INSUFFICIENT SPACE, CONTINUE DESCRIPTION ON ADDITIONAL PAGE)

TO HAVE AND TO HOLD the said premises, with appurtenances, unto the said mortgagees, their heirs and assigns forever.

This conveyance is intended as a mortgage to secure the payment of \$50,000.00**** together with interest at the rate of *10.500* per cent per annum in accordance with the terms of a certain promissory note, the terms of which are incorporated herein by reference, dated the 1st day of May, 19 87, payable IN FIVE YEARS. MATURITY MAY 1, 1992. INTEREST PAYABLE ANNUALLY ON NOVEMBER 10.

TO SAID MORTGAGEES OR ORDER

The mortgagors covenant and agree with, the mortgagees as follows: That they are the owners in fee simple of the above described premises and that they are free from all encumbrances.

That they will pay the indebtedness hereby secured promptly, according to the terms of said promissory note. That they will pay all taxes, liens and assessments of any nature hereafter levied or imposed, or becoming payable, upon said premises before the same become delinquent. That they will keep the buildings on said premises insured against loss or damage by fire, by some insurance company acceptable to the mortgagees with loss, if any, payable to the mortgagees as their interest may appear, in the sum of at least \$ 25000.00, and deliver such policy or policies of insurance to the mortgagees, until the sums secured by this mortgage are fully paid with interest. That they will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises.

If the mortgagor shall fail to pay any such tax lien or assessment, or fail to maintain such fire insurance the mortgagees must pay the same or procure said insurance, and pay the cost thereof, and all payments by the mortgagees for any such purpose shall be added to the indebtedness hereby secured, and shall be repayable on demand, with interest until repaid.

For the purpose of further securing and indebtedness and performance of the covenants herein contained, the mortgagors hereby sell and assign to the mortgagees any and all rentals accruing or to accrue on said premises, during the life of this mortgage. Now, if the said mortgagors shall pay or cause to be paid all moneys which may become due upon said promissory note and shall otherwise comply with the terms and conditions hereof, this conveyance shall be void; but in case default shall be made in the payment of the indebtedness hereby secured, or any part thereof, principal or interest, or in any of the covenants of agreements herein contained, then the Mortgagees or their assigns, may declare the entire indebtedness hereby secured immediately due and payable, and foreclose this mortgage and cause said mortgaged premises to be sold in the manner provided by law, and out of the moneys arising from such sale retain the principal and interest together with any sums advanced as provided herein, with interest as aforesaid, together with costs and charges of such foreclosure suit and sale, including such sum as the court may adjudge reasonable as an attorney's fee to be allowed the plaintiff, and the overplus, if any there by, pay over to the mortgagors, their heirs and assigns.

Dated this 1st day of MAY 19 87.

Fred M. Lloyd (Seal)
Barbara L. Lloyd (Seal)

STATE OF OREGON, County of Lane May 1, 19 87

Personally appeared the above named Fred M. Lloyd and Barbara L. Lloyd

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

Before me: [Signature] Notary Public for Oregon My Commission Expires Sept. 20, 1987

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON EQUERING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE CITY OR COUNTY PLANNING DEPARTMENTS TO VERIFY APPROVED USES.

WITNESSETH THAT FRED W. LLOYD AND BARBARA L. LLOYD

...in consideration of the sum of ... DOLLARS ...

...from their joint and several ...

A parcel of land lying on the Southeast side of Crescent Lake Road and Southwest of Oregon State Highway 58, situate in the ... of Section 1, Township 24 South, Range 6 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and more particularly described as follows:

Beginning at a point, being a 5 X 30" steel rod along the EE/64 Line of Section 1, from which the CENE/64 Corner of Section 1 bears South 00° 03' 16" West 315.22 feet; thence along said EE/64 Section Line, North 00° 03' 16" East 378.86 feet to a point, being a 5 X 30" steel rod along the Southeasterly right of way line of the Crescent Lake Road and 30 feet from the centerline thereof; thence along said Southeasterly right of way line, North 74° 00' 56" East 290.43 feet to a point, being a 5 X 30" steel rod; thence along a line parallel to State Highway 58 and 180 feet from the centerline thereof, South 16° 19' 55" East 364.00 feet to a point, being a 5 X 30" aluminum capped steel rod; thence along a line parallel to said Crescent Lake Road, South 74° 00' 56" West 397.36 feet to the point of beginning.

IMJ
BLX 5-1-87

Set: 1st Interstate Bank
Box 3131

Portland, Ore.
97208

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ of _____ May _____ A.D., 19 87 at 12:54 o'clock P. M., and duly recorded in Vol. M87 of _____ Mortgages on Page 7832

FEE \$9.00

Evelyn Blehn, County Clerk
By _____