

OK

THIS MORTGAGE, Made this 29TH day of MARCH, 19 88,  
by LESTER J HINTON AND PAULA S HINTON aka PAULA HINTON AS TENANTS BY THE ENTIRETY,  
to SOUTH VALLEY STATE BANK hereinafter called Mortgagor,

WITNESSETH, That said mortgagor, in consideration of ---- FIFTY NINE 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

(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:

A PROMISSORY NOTE DATED MARCH 29, 1988 TO LESTER J HINTON AND PAULA S HINTON IN THE  
AMOUNT OF \$59,000.00 MATURING JANUARY 15, 1989.

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:

JANUARY 15, 19 89

The mortgagee hereby certifies that the proceeds of the loan represented by the above described note and this mortgage are:

(a) for an organization or (even if mortgagee is a natural person) are for business or commercial purposes.  
And said mortgagee 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 \$

## FULL AMOUNT

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 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 the 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 premiums 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 the 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 as 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 thereon 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 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,  
less 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 (c) is applicable, the mortgagee MUST comply  
with the Truth-in-Lending Act and Regulation Z by making required dis-  
closures; for this purpose use S-M Form No. 1319, or equivalent.

STATE OF OREGON,

County of KLAMATH

SS:

This instrument was acknowledged before me on MARCH 29, 1988,

by LESTER J HINTON AND PAULA S HINTON

Lester J Hinton  
LESTER J HINTON  
Paula S Hinton  
PAULA S HINTON

Notary Public for Oregon  
My commission expires

STATE OF OREGON,

County of } SS:

I certify that the within instru-  
ment was received for record on the  
day of , 19 ,  
at o'clock M., and recorded  
in book/reel/volume No. on  
page or as fee/file/instrument/  
microfilm/reception No.  
Record of Mortgage of said County.

Witness my hand and seal of  
County affixed.

NAME TITLE  
By Deputy

PUBLIC MORTGAGE

LESTER J HINTON

PAULA S HINTON

TO

SOUTH VALLEY STATE BANK

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

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK

5215 S 6TH ST

KLAMATH FALLS OR 97603

EXHIBIT "A"  
LEGAL DESCRIPTION

5339

PARCEL 1:

The E1/2 SE1/4 and SE1/4 NE1/4 of Section 4, Township 40 South, Range 8 East of the Willamette Meridian, EXCEPT that portion deeded in Book M71 at page 8692, Microfilm Records of Klamath County, Oregon, recorded August 18, 1971.

PARCEL 2:

A tract of land situated in the NE1/4 SE1/4 of Section 4, Township 40 South, Range 8 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point on the West right of way line of the County Road, said point being South a distance of 2794 feet and West a distance of 30 feet from the Northeast corner of said Section 4 (said section corner being located by the intersection of the County Road and fence lines extending East and West); thence Westerly at right angles to the East line of said Section 4 a distance of 208.71 feet; thence Southerly parallel with the East line of said Section 4 a distance of 208.71 feet; thence Easterly at right angles to the East line of said Section 4 a distance of 208.71 feet to the West right of way line of the County Road; thence Northerly along said line a distance of 208.71 feet to the point of beginning.

287  
784

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley State Bank  
of April A.D. 19 88 at 1:15 o'clock  
of Mortgages

FEE \$10.00

P. M., and duly recorded in Vol. 488 day  
on Page 5338  
By Evelyn Biehn County Clerk  
Penelope A. Litch