

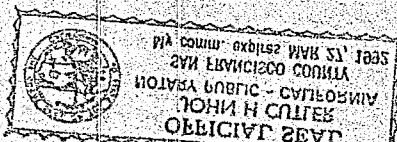
91749

NTC-222261

THIS MORTGAGE Made this 20th day of September, 1988,
by Quentin L. Breen, trustee of Train Mountain Foundation,
to L.A. Gienger and Pauline Gienger, dba Gienger Investments, Mortgagee,
five hundred forty one and no/100—Two hundred thirty six thousand, 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
property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

**MORTGAGE
SECOND**

Refer to the attached legal descriptions



Commission Expires March 31, 1993
Notary Public for State of Oregon

I, Quentin L. Breen, being duly sworn, depose and say that the foregoing is a true and correct copy of the original mortgage made between the parties herein named, and that the same was executed by the said mortgagor and acknowledged by him before me, a Notary Public for the State of Oregon, on the day and date above written.

BE IT REMEMBERED that on this 20th day of September, 1988,
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, adminis-
trators and assigns forever.

This mortgage is intended to secure the payment of a promissory note, of which the following is a substantial copy:
\$236,541.00—Klamath Falls, Oregon
I (or if more than one maker) we, jointly and severally, promise to pay to the order of L.A. Gienger and Pauline,
H. Gienger, dba Gienger Enterprises,
and upon the death of any of them, then to the order of the survivor of them, at Mt. Title Co. or nominee
TWO HUNDRED THIRTY SIX THOUSAND FIVE HUNDRED FORTY ONE AND NO/100—DOLLARS,
with interest thereon at the rate of 8 percent per annum from (closing)
installments, at the dates and in the amounts as follows: Installments of \$78,847.00 plus
interest due February 15, 1989 and August 15, 1989 and the final installment due no
later than February 15, 1990.

balloon payments, if any, will not be refinanced; interest to be paid quarterly as set forth above.
quired; said payments shall continue until the whole sum hereof, principal and interest, has been paid; if any of said installments is not
so paid, all principal and interest shall become immediately due and collectible at the option of the holder of this note. If this note is placed
in the hands of an attorney for collection, I/we promise and agree to pay the reasonable attorney's fees and collection costs of the holder
hereof, and if suit or action is filed hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2)
if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's rea-
sonable attorney's fees in the appellate court.
It is the intention of the parties hereto that the said payees do not take the title hereto as tenants in common but with the right
of survivorship, that is: on the death of any of the payees, the right to receive payment of the then unpaid balance of principal and in-
terest shall vest absolutely in the survivor of them.

* Strike words not applicable.

/s/
Quentin L. Breen, Trustee
Train Mountain Foundation

SN Stevens-Ness Law Pub. Co., Portland, Ore.

FORM No. 692—INSTALLMENT NOTE—Survivorship.

to the effect that the said mortgage was given to secure a note for the principal sum of \$236,541.00, at page 1 thereof, or as
file number 91749 and recorded in the mortgage records of the above named county in book 222261, (Indicate which), reference to said mortgage records
hereby being made; the said first mortgage was given to secure a note for the principal sum of \$236,541.00, at page 1 thereof, or as
principal balance thereof, on the date of the execution of this instrument is \$236,541.00, and no more; interest thereon is paid
simply "first mortgage" and the obligations secured thereby hereinafter, for brevity, are called
"first mortgage". The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized
in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except
those of record as of the date of this mortgage.
and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of
him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal
and interest, according to the terms thereof, that while any part of the note secured hereby remains unpaid he will pay all taxes, assess-
ments and other charges of every nature which may be levied or assessed against said property, or this mortgage, or the note secured
hereby, when due and payable and before the same 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 hereafter may be erected on the said premises continuously insured against loss or damage by fire

and such other hazards as the mortgagee may from time to time require, in an amount not less than \$ N/A in a company or companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage, second, to the mortgagee named herein and then to the mortgagor as their respective interests may appear. All policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that the mortgagor will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then at the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby 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 payments of the note secured hereby; it being agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or 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 or any lien, encumbrance or insurance premium as above provided for, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of the mortgagor under said first mortgage, and any payment so made, together with the cost of such performance shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby 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 mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein, mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators 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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

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.

Quentin L. Breen, Trustee
Train Mountain Foundation

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1306 or similar.

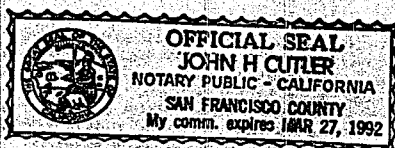
12-88

STATE OF CALIFORNIA

County of San Francisco

BE IT REMEMBERED, That on this 20th day of September, 1988, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Quentin L. Breen, Trustee

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

John H. Cutler

Notary Public for State of California
My Commission expires March 27, 1992

SECOND MORTGAGE

(FORM No. 923)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of _____

I certify that the within instrument was received for record on the day of _____, 19____

at _____ o'clock _____ M., and recorded in book _____ on page _____ or as file, reel number _____

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By _____ Title.

By _____ Deputy

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY

Order No.: 20226-L

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

That portion of the SE1/4 SW1/4 EXCEPT the West 660 feet thereof, and also that portion of the SW1/2 SE1/4 of Section 20, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Southerly of State Highway #422.

Tax Account No.: 3407 02000 00700 (covers other property)
3407 02000 00600 (covers other property)

PARCEL 2

That portion of the SW1/4 and SW1/4 SE1/4 of Section 28, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Southerly of State Highway #422.

Tax Account No.: 3407 02800 00100 (covers other property)
3407 02800 00300 (covers other property)

PARCEL 3

The E1/2 SE1/4 of Section 28, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying West of the Dalles-California Highway #97 and Southwesterly of Chiloquin-Agency Highway No. 422.

Tax Account No.: 3407 02800 02500

PARCEL 4

The N1/2, N1/2 S1/2, and SW1/4 SE1/4 of Section 32, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon

Tax Account No.: 3407 03200 00100
3407 03200 00200

PARCEL 5

The NE1/4 NW1/4 EXCEPT the West 660 feet, S1/2 NW1/4, SW1/4, S1/2 N1/2 SE1/4 and the S1/2 SE1/4 and that portion of the NE1/4 lying Southwesterly of State Highway #422, all in Section 29, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon,

EXCEPT that certain parcel of land situate in the County of Klamath, State of Oregon, being a portion of the Southeast quarter of the Southeast quarter of Section 29, Township 34 South, Range 7 East, Willamette Base and Meridian, described as follows:

COMMENCING at the section of corner common to Sections 28, 29, 32 and 33, all in said Township and Range; thence North 80 degrees 54' 10" West, 614.85 feet to the TRUE POINT OF BEGINNING of the parcel of land to be described; thence South 52 degrees 29' 30" West 150.00 feet; thence North 37 degrees 30' 30" West, 150.00 feet; thence North 52 degrees 29' 30" East, 150.00 feet; thence South 37 degrees 30' 30" East, 150.00 feet to the TRUE POINT OF BEGINNING

Tax Account No.: 3407 02900 00100 (covers other property)
 3407 02900 00700 (covers other property)
 3407 02900 00800
 3407 02900 01100

PARCEL 6

That portion of the N1/2 NE1/4 NE1/4 and N1/2 S1/2 NE1/4 NE1/4 lying West of Highway No. 97, and the N1/2 NW1/4, N1/2 S1/2 NW1/4, N1/2 NW1/4 NE1/4 and N1/2 S1/2 NW1/4 NE1/4 of Section 33, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Tax Account No.: 3407 03300 00100
 3407 03300 00200
 3407 03300 00300

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 22nd day
 of Sept. A.D., 19 88 at 10:51 o'clock A.M., and duly recorded in Vol. M88
 of Mortgages on Page 15685

FEE \$28.00

Evelyn Biehn County Clerk

By Pauline Millendore