

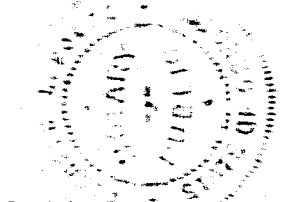
Unass Rights is \$100.00

Dated this 30<sup>th</sup> day of August, 1989.

Fern Foster

STATE OF OREGON, County of Klamath

August 30, 1989. Personally appeared the above named ~~Fern Foster~~  
Fern Foster, who acknowledged the foregoing instrument to be their voluntary act.  
Before me:



2-15-89  
ael/mlj

Kenneth K. Belf  
Notary Public for Oregon

My Commission expires 3-10-91

FORM No. 8—MORTGAGE.

STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR. 97204

TC 7316

Vol. m89 Page 21119

THIS INDENTURE, Made this 26TH day of OCTOBER, 1989,  
between O. C. WEBB-BOWEN, INC.,  
as mortgagor, and SOUTH VALLEY STATE BANK  
as mortgagee,

WITNESSETH, That the said mortgagor for and in consideration of the sum of ONE HUNDRED NINETY FIVE THOUSAND AND NO/100'S Dollars (\$ 195,000.00 ) to him paid by the said mortgagee, does hereby grant, bargain, sell and convey unto the said mortgagee, his successors and assigns, those certain premises situated in the County of KLAMATH, and State of Oregon, and described as follows:

LOTS 10,11, AND 12, BLOCK 208 MILLS SECOND ADDITION TO THE CITY OF KLAMATH FALLS, OREGON ACCORDING TO THE DULY RECORDED PLAT THEREOF, SAVING AND EXCEPTING THAT PORTION CONVEYED TO THE STATE OF OREGON BY DEED DATED JULY 15, 1943 AND RECORDED IN BOOK 157 AT PAGE 107 OF DEED RECORDS OF KLAMATH COUNTY, OREGON, WHICH IS SUBJECT TO THE TERMS AND PROVISIONS OF THAT GROUND LEASE DATED THE 8TH DAY OF DECEMBER, 1987, WHEREIN NORMA JEAN BENNETT, ETHEL NAGEL AND CHRISTINA SMITH, TRUSTEES UNDER AGREEMENT DATED JULY 22, 1976 AS LESSORS, AND O. C. WEBB-BOWEN, INC. IS LESSEE.

following is a description of the above described premises:

(2 102'000'00) is recorded with the name of O. C. Webb-Bowen, Inc. as mortgagor and South Valley State Bank as mortgagee. This mortgage is intended to secure the payment of the sum of ONE HUNDRED NINETY FIVE THOUSAND AND NO/100'S Dollars (\$ 195,000.00 ) to him paid by the said mortgagee.

TO HAVE AND TO HOLD the above described premises unto the said mortgagee, his successors and assigns, together with the right of the said mortgagee to foreclose.

And the said mortgagor covenants and agrees that the said mortgagee shall have the right to foreclose upon the above described premises in accordance with the provisions of the mortgage and the laws of the State of Oregon.

IN WITNESS WHEREOF, the said mortgagor has hereunto set its hand and seal the day and date first above written.

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 successors and assigns forever.

THIS CONVEYANCE is intended as a mortgage to secure the payment of the sum of ONE HUNDRED NINETY FIVE THOUSAND AND NO/100'S----- Dollars (\$ 195,000.00.) in accordance with the terms of A----- certain promissory note of which the following is substantially a true copy, to-wit:

<b>BORROWER'S NAME AND ADDRESS</b> O.C. WEBB-BOWEN, INC. PO BOX 1600 KLAMATH FALLS, OR 97601	<b>LENDER'S NAME AND ADDRESS</b> SOUTH VALLEY STATE BANK 801 MAIN STREET KLAMATH FALLS, OR 97601	<b>Loan Number</b> 300956 <b>Date</b> OCTOBER 25, 1989 <b>Maturity Date</b> OCTOBER 25, 1993 <b>Loan Amount \$</b> 195,000.00 <b>Renewal Of</b> 300679
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I promise to pay to you, or your order, at your address listed above the  
PRINCIPAL sum of ONE HUNDRED NINETY FIVE THOUSAND AND NO/100 Dollars \$ 195,000.00  
☒ Single Advance: I have received all of this principal sum. No additional advances are contemplated under this note.  
☐ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. As of today I have received the amount of \$----- and future principal advances are contemplated.  
Conditions: The conditions for future advances are-----

☐ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires no later than-----  
☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).  
PURPOSE: The purpose of this loan is BUSINESS: INCREASE AND TERM OUT LOAN FOR STATION AT 2135 S. 6TH  
INTEREST: I agree to pay interest (calculated on a ACTUAL/365 basis) on the principal balance(s) owing from time to time as stated below:  
☐ Fixed Rate: I agree to pay interest at the fixed, simple rate of----- % per year.  
☒ Variable Rate: I agree to pay interest at the initial simple rate of 12.500 % per year. This rate may change as stated below.  
The future rate will be 2.00% OVER the following index rate:  
SVSB PRIME RATE AS SET PERIODICALLY BY THE BOARD OF DIRECTORS  
☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.  
☒ Frequency and Timing: The rate on this note may increase as often as DAILY.  
An increase in the interest rate will take effect ON THE SAME DAY.  
☒ Limitations: The rate on this note will not at any time; (and no matter what happens to any index rate used) go above or below these limits:  
☒ Maximum Rate: The rate will not go above 24.00  
☐ Minimum Rate: The rate will not go below-----  
Post Maturity Rate: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:  
☐ on the same fixed or variable rate basis in effect before maturity (as indicated above).  
☒ at a rate equal to 24.00

☒ ADDITIONAL CHARGES: In addition to interest, I ☐ have paid ☒ free to pay the following additional charges  
LOAN FEE 400.00, LATE CHARGE 20.00 ASSESSED ON THE 11TH DAY

PAYMENTS: I agree to pay this note as follows:  
☐ Interest: I agree to pay accrued interest-----  
☐ Principal: I agree to pay the principal-----

☒ Installments: I agree to pay this note in 36 payments. The first payment will be in the amount of \$ 2,474.29 and will be due NOVEMBER 25, 1989. A payment of \$ 2,474.29 will be due on the 25th day of each MONTH thereafter. The final payment of the entire unpaid balance of principal and interest will be due OCTOBER 25, 1993.

☒ Effect of Variable Rate: An increase in the interest rate will have the following effect on the payments:  
☐ The amount of each scheduled payment will be increased.  
☒ The amount of the final payment will be increased.  
☐

ADDITIONAL TERMS: BANK WILL NOT NOTIFY YOU OF PRIME RATE CHANGE.  
THERE WILL BE A BALLOON PAYMENT OF APPROXIMATELY \$410,732.14

☒ SECURITY: This note is secured by: A MORTGAGE ON 2135 6TH STREET STATION BUILDING AND IMPROVEMENTS, ASSIGNMENT OF LEASE

**JSB**  
☐ If checked, no agreement was signed today securing this note.  
(This section is for your internal use. It may not include every agreement or item of collateral securing this note. You will not lose any security by omitting it from this section.)

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON THE OTHER SIDE). I have received a copy on today's date.  
O.C. WEBB-BOWEN, INC.

BY: O.C. WEBB-BOWEN, PRESIDENT

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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: OCTOBER 25, 1989 WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS



In the event of any suit or action being instituted to foreclose this mortgage, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in such suit or action and in the event of any appeal, the losing party agrees to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal; in any event the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

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 shall be taken to mean and include the plural, the masculine pronoun shall mean 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, the mortgagor has executed this instrument this 26TH day of OCTOBER 1989, if a corporate mortgagor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

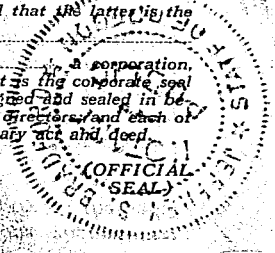
O.C. WEBB-BOWEN, INC.  
BY: *O.C. Webb-Bowen*  
O.C. WEBB-BOWEN, PRESIDENT



STATE OF OREGON, County of Klamath ss.  
October 30, 1989  
Personally appeared O.C. Webb-Bowen and

each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of O.C. Webb-Bowen, Inc. a corporation, and that the seal attixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and each of them acknowledged said instrument to be its voluntary act and deed.

Before me: *Jeffrey S. Bradford*  
Notary Public for Oregon  
My commission expires: 6/12/92



# MORTGAGE

O.C. WEBB-BOWEN, INC.

TO SOUTH VALLEY STATE BANK

SOUTH VALLEY STATE BANK  
801 MAIN STREET  
KLAMATH FALLS, OR 97601

STATE OF OREGON, County of Klamath ss.  
I certify that the within instrument was received for record on the 2nd day of Nov., 1989, at 11:24 o'clock A.M., and recorded in book/reel/volume No. M89 on page 21119 or as document/fee/file/instrument/microfilm No. 7316, Record of Mortgages of said County.  
Witness my hand and seal of County affixed.  
Evelyn Riehn, County Clerk  
NAME TITLE  
By *Claudia M. Mendenhall*, Deputy

Fee \$23.00

ST151