FORM No. 7—MORTGAGE—Short Form.

TC 28199 Vol. m91 Page 6819

THIS INDENTURE WITNESSETH: That DONNIE D. HEATON AND MARGRET C. HEATON

of the County of Klamath, State of Oregon, for and in consideration of the sum of One Hundred Seventy-five Thousand Dollars ($175,000), to in hand paid, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant bargain, sell and convey unto MARSHELLIA RANCH, an Oregon General Partnership

of the County of Klamath, State of Oregon, the following described premises situated in Klamath County, State of Oregon, to-wit:

R4110 002DC 01200 000 00
Key 122174
Township 41 South, Range 10 East of the Willamette Meridian,
Section 02
Tract 19 & 20 Merrill Tract lying Northeasterly of the
Northeast right-of-way of Klamath Falls - Malin Highway
#39 and West of the U.S.B.R. #6 Drain right-of-way.

Together with the tenements, hereditaments and appurtenances thereto belonging, or in anywise appertaining. To have and to hold the same with the appurtenances, unto the said

heirs and assigns forever.

THIS CONVEYANCE is intended as a Mortgage to secure the payment of the sum of One Hundred Seventy-five Thousand and no/100 Dollars ($175,000.00) in accordance with the terms of that certain promissory note of which the following is a substantial copy:

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: , 19

92 APR 15 PM 4 51

2250

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(a) primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below),*

(b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

Now, if the sum of money due upon said instrument shall be paid according to the agreement therein expressed, this conveyance shall be void; but in case default shall be made in payment of the principal or interest or any part thereof as above provided, then the said Marshellia Ranch, an Oregon General Partnership *and* their *legal representatives, or assigns may foreclose the 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 attorney's fees as provided in said note, together with the costs and charges of making such sale and the surplus, if there be any, pay over to the said* Donnie D. Heaton and Margret C. Heaton *heirs or assigns.*

Witness ..... *hand* ..... *this* 3 *day of* April, *19*91.

Donnie D. Heaton
DONNIE D. HEATON
Margret C. Heaton
MARGRET C. HEATON

*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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

STATE OF OREGON,
County of Klamath } *ss.*

BE IT REMEMBERED, That on this 3rd *day of* April, *19*91, *before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named* Donnie D. Heaton and Margret C. Heaton *known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that* they *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.

Anita Cacka
Notary Public for Oregon.
My Commission expires 3-24-92

NOTARY PUBLIC OF OREGON

MORTGAGE

(FORM No. 7)

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

Donnie D. Heaton
Margret C. Heaton

TO

Marshellia Ranch, an Oregon General Partnership

AFTER RECORDING, RETURN TO

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON,
County of Klamath } *ss.*

I certify that the within instrument was received for record on the 15th *day of* April, *19*91, *at* 4:26 *o'clock* P. *M., and recorded in book/reel/volume No.* M91 *on page* 6819 *or as document/fee/file/instrument/microfilm No.* 28199, *Record of Mortgages of said County.*

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
NAME TITLE

By Pauline Mulendore, Deputy

Fee $13.00