

AFTER RECORDING RETURN TO:

Greater Eastern Oregon Development Corporation
PO Box 1041
Pendleton, OR 97801

MORTGAGE**CONVEYANCE**

Thomas L. Stout and Beth E. Stout (Mortgagor), in consideration of the Multiregion Rural Gas Station Assistance grant of a maximum of thirty eight thousand two hundred seventy nine and no/100 dollars (\$38,279.00), conveys to Greater Eastern Oregon Development Corporation (Mortgagee) this mortgage secured by the property described as the Odessa Mercantile, and located in Klamath County, Oregon. The legal description of the property being:

In Township 36 South, Range 06 East of the Willamette Meridian, Section 14: Portion of the Northwest Quarter of the Southwest Quarter of said Section 14; Odessa Summer Home Sites Lot 12.

INTENT OF THE PARTIES AS TO THE EFFECT OF THIS MORTGAGE

This mortgage is intended to secure the reimbursement of the Multiregion Rural Gas Station Assistance grant in full if the Mortgagor should not satisfy the following condition:

CONDITION

Except as noted under the transfer provision on page two, the Mortgagor shall repay the grant in full if the Mortgagor or its legal representatives sell the above property or business reselling motor fuel within five years after the effective date of the grant award agreement. The effective date of the grant award agreement is March 25, 1996. If the Mortgagor sells the property or business reselling motor fuel on or before March 25, 2001, without reimbursing the Mortgagee the full amount of the grant, the Mortgagor will not satisfy this condition.

CONDITION: EFFECT OF SATISFACTION

If the property or business reselling motor fuel is not sold on or before March 25, 2001, this mortgage shall terminate. If the Mortgagor reimburses the Mortgagee the full amount of the grant, this mortgage shall terminate.

CONDITION: EFFECT OF NOT SATISFYING

If the property or business reselling motor fuel is sold on or before March 25, 2001, and the purchaser does not enter a subsequent mortgage and the Mortgagor fails to repay the grant in full, then the Mortgagee and its legal representatives may foreclose on this mortgage. Proceeds from the foreclosure and sale of the property sufficient to reimburse the mortgagee for the full amount of the grant may be retained by the Mortgagee. In case suit or action is commenced for foreclosure of this mortgage, the Mortgagor shall pay a reasonable sum to be determined by the court for a title report therefore, and in the event of such suit or action being instituted, the Mortgagor, his/her heirs and assigns, shall also pay such sum as the court shall consider reasonable as attorney fees for the benefit of the plaintiff, in addition to the costs and disbursements provided by statute, and all such sums shall be secured by the lien of this mortgage.

THIS MORTGAGE IS TRANSFERABLE

The Mortgagor may sell the above property or business on or before March 25, 2001 without reimbursing the Mortgagee the amount of the grant, if the purchaser intends to keep the motor fuel reselling facility open through March 25, 2001 and enters into a mortgage agreement for the remaining term of the original mortgage.

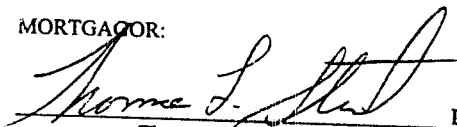
MISCELLANEOUS MORTGAGE PROVISIONS

Mortgagor represents and warrants that Mortgagor owns the above-described property, and that Mortgagor will timely pay all mortgages, liens, taxes, assessments, or encumbrances existing on the property superior to this mortgage and keep the property free of liens, taxes, assessments or other charges subject to this mortgage. Time is of the essence. Mortgagor will maintain the improvements and keep the improvements on the premises insured against damage or loss by fire for their full insurable value. Mortgagor, if requested by Mortgagee, will name Mortgagee as an additional insured on such policy under the terms and conditions acceptable to Mortgagee.

In construing this mortgage, it is understood that the Mortgagor or Mortgagee may be more than one person. If the context so requires, the singular shall be taken to mean and include the plural. Generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and individuals.

SIGNATURES

MORTGAGOR:

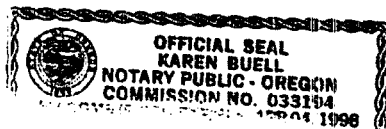

Thomas L. Stout

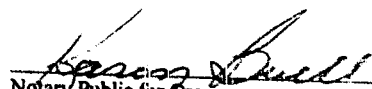
Date: 4-25-96

STATE OF OREGON,)
)ss.
County of Klamath.)

APRIL 25, 1996

Personally appeared before me the above-named HE and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.




Notary Public for Oregon
My Commission Expires 4-4-98

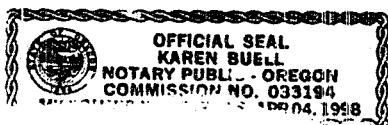
MORTGAGOR:

Beth E. Stout Date: 4-25-96
Beth E. Stout

STATE OF OREGON,)
)ss.
County of Klamath.)

APRIL 25, 1996

Personally appeared before me the above-named SHE and acknowledged the
foregoing instrument to be HER voluntary act and deed. Before me.



Karen Buell
Notary Public for Oregon
My Commission Expires 4-4-98

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Woodwell Business Consulting the 6th day
of May A.D., 19 96 at 9:50 o'clock AM., and duly recorded in Vol. M96,
of Mortgages on Page 12802.

FEE \$20.00

Bernetha G. Letsch, County Clerk
By [Signature]