

MORTGAGE

This mortgage made August 26, 1997 by EDGAR L VIETS and SUZANNE M. VIETS, hereafter referred to in the singular as mortgagor, of 2199 Crest Street, City of Klamath Falls, County of Klamath, State of Oregon, to VIETS/STRETCH FAMILY LIMITED PARTNERSHIP, mortgagee, of Klamath Falls, County of Klamath, State of Oregon.

WITNESSETH, that mortgagor, in consideration of twenty four thousand dollars (24,000) paid to mortgagor by mortgagee, hereby grants, bargains, sells, and conveys to mortgagee, his heirs, executors, administrators, and assigns, that certain real property situated in the County of Klamath, State of Oregon, bounded and described as follows:

The SE $\frac{1}{4}$ SE $\frac{1}{4}$ and that portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ lying Westerly of the Great Northern Railroad right of way and Southerly of the U.S.R.S. G-1-A Ditch, in Section 6, Township 40 South, Range 10, E.W.M., EXCEPTING portion conveyed to the United States in Deed Volume 93, Page 145.

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 on the 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 premises with the appurtenances to mortgagee, his heirs, executors, administrators, and assigns forever.

This mortgage is intended to secure the payment of a promissory note, a copy of which is attached.

And mortgagor covenants to and with mortgagee, his heirs, executors, administrators, and assigns that he is lawfully seized in fee simple of the premises and has a valid unencumbered title thereto and will warrant and forever defend the same against all persons; that he will pay the note, principal, and interest according to the terms thereof; that while any part of the note remains unpaid he will pay all taxes assessments, and other charges of every nature that may be levied or assessed against the 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 all liens and 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 premises continuously insured against loss or damage by fire and such other hazards as mortgagee may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to mortgagee, with loss payable first to mortgagee and then to mortgagor as their respective interests may appear. All policies of insurance shall be delivered to mortgagee as soon as insured.

If mortgagor shall fail for any reason to procure any such insurance and to deliver the policies to mortgagee at least 30 days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, mortgagee may procure the same at mortgagor's expense.

If mortgagor keeps and performs the covenants herein contained and pays the note according to its terms, this conveyance shall be void; otherwise it shall remain in full force as a mortgage to secure the performance of all of the covenants and the payment of the note. If mortgagor fails to perform any covenant herein, or if a proceeding of any kind is taken to foreclose any lien on the premises, or any part thereof, mortgagee shall have the option to declare the whole amount unpaid on the note or on this mortgage at once due and payable, and his mortgage may be foreclosed at any time thereafter. If mortgagor fails to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, 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 the note without waiver, however, of any right arising to mortgagee for breach of covenant. This mortgage may be foreclosed for principal, interest, and all sums paid by mortgagee at any time while mortgagor neglects to repay any sums so paid by mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, mortgagor agrees to pay all reasonable costs incurred by 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. 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 sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

All of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators, and assigns of mortgagor and/or mortgagee, respectively.

In case suit or action is commenced to foreclose this mortgage, the court may, on motion of mortgagee, appoint a receiver to collect the rents and profits arising out of the premises during the pendency of such foreclosure, and apply the same, after first deducting all of the receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that 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, mortgagor has hereunto set his hand the day and year first above written.

STATE OF OREGON }
COUNTY OF KLAMATH }

SUBSCRIBED AND SWORN TO BEFORE ME

THIS

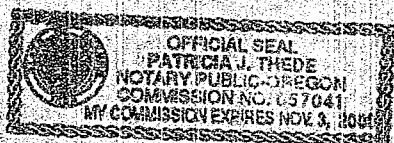
8/27-97

Patricia J. Thee
NOTARY PUBLIC

Edgar L. Viets
EDGAR L. VIETS

Suzanne M. Viets
SUZANNE M. VIETS

MORTGAGE



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Edgar Viets the 27th day
of August A.D., 19 97 at 1:55 o'clock P.M., and duly recorded in Vol. M97
of Mortgages on Page 28137
Return: Edgar Viets
8771 Dehlinger Lane
KFO 97603
FEE \$25.00
By Bernetha G. Letsch, County Clerk
Kathleen Brown