

THIS MORTGAGE, Made this 1st day of October, 2003, between Linda K. Fitzer as mortgagor, and RONALD D. WALK AND SANDRA S. WALK, husband and wife, or the survivor, as mortgagee,

WITNESSETH, That the mortgagor in consideration of Eighty-four thousand seven hundred Sixty-four Dollars and Ninety-one Cents (\$84,764.61) paid to the Mortgagor by the Mortgagee, does hereby grant, bargain, sell and convey unto the mortgagee, and the mortgagee's personal representatives, successors and assigns, that real property situated in the county of Klamath, State of Oregon, described as follows:

'03 OCT 9 PM2:15

Lot 8, of CRESCENT HEIGHTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Account No. 2409 30AC 1500

Key No. R153292

Together with all and singular the tenements, hereditaments and appurtenances therunto belonging or in any way appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon 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 unto the mortgagee and the mortgagee's personal representatives, successors and assigns forever.

This mortgage is intended to secure the payment of one (or more) promissory note(s), insubstantially the following form(s):

See attached copy of Note

MORTGAGE

Linda K. Fitzer
P. O. Box 242
Crescent, OR 97733

To

Ronald D. Walk
Sandra S. Walk

After Recording, return to (Name, Address, Zip):

Ronald D. Walk
Sandra S. Walk
18160 Cottonwood
Box 334
Sunriver, OR 97707

SPA

REC

State of Oregon, County of Klamath
Recorded 10/09/03 2:15 p. m
Vol M03 Pg 75479-81
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

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: August 15, 2008.

75480

The Mortgagor warrants that the proceeds of the loan represented by the note and this mortgage are:

(a) primarily for mortgagor's personal, family or household purposes

This mortgage is further conditioned upon the faithful observance by the mortgagor of the following covenants hereby expressly entered into by the mortgagor, to-wit:

Mortgagor is lawfully seized of the premises and now has a valid and unencumbered fee simple title thereto, except as follows (if no exceptions, so state):

NO EXCEPTIONS

and mortgagor will warrant and defend the same against the claims and demands of all persons whatsoever.

Mortgagor will pay the promissory note and all installments of interest thereon promptly as the same become due, according to the tenor of the note.

So long as this mortgage remains in force, mortgagor will pay all taxes, assessments, and other charges of every nature levied or assessed upon or against the premises when due and payable, according to law, and before the same become delinquent, and will also pay all taxes levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' lien of this mortgage.

Mortgagor will keep the improvements created on the premises in good order and repair and will not commit or suffer any waste of the premises. 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, as well as the cost of any lien search made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

So long as this mortgage shall remain in force, mortgagor will keep the buildings now created, or any which may hereafter be created on the premises, insured against loss or damage by fire, with extended coverage, to the extent of \$85,000, in some company or companies acceptable to the mortgagee and for the benefit of both parties hereto as their interests may appear and will deliver all the policies and renewals thereof to the mortgagee.

NOW, THEREFORE, if the mortgagor shall pay the promissory note and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise it shall remain in full force and virtue as a mortgage to secure the payment of the promissory note in accordance with the terms thereof and the performance of the covenants and agreements herein contained. Any failure to make any of the payments provided for in the note or this mortgage when the same shall become due or payable, or to perform any agreement herein contained, shall give to the mortgagee the option to declare the whole amount due on the note, or unpaid thereon or on this mortgage, at once due and payable, and this mortgage by reason thereof may be foreclosed at any time thereafter. If the mortgagor shall fail to pay any taxes or other charges or any lien or insurance premium as herein provided to be done, the mortgagee shall have the option to pay the same. Any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the same rate as the note without waiver, however, of any right arising from breach of any of the covenants herein. Time is of the essence with respect to all sums due hereunder, and the promissory note.

In case a suit or action is brought to foreclose this mortgage, the court may, upon motion of the holder of the mortgage, without respect to the condition of the property, appoint a receiver to collect the rents and profits arising out of the premises and direct the receiver to apply such rents and profits to the payment and satisfaction of the amount due under this mortgage and shall be included in the judgment or decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of, and bind the personal representatives, successors and/or assigns of the mortgagor and of the mortgagee respectively.

In construing this mortgage and related note, it is understood that the mortgagor or mortgagee may be more than one person. If the contract 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 to individuals.

IN WITNESS WHEREOF, the mortgagor has executed this instrument the day and year first above written. If the mortgagor is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Linda K. Fitzer
Linda K. Fitzer

STATE OF OREGON, County of KLAMATH) ss.

This instrument was acknowledged before me on Oct. 9, 2003, 2003.

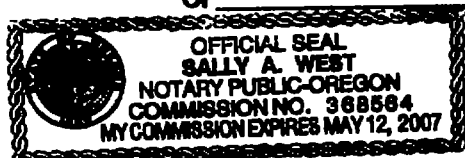
By LINDA K. FITZER

This instrument was acknowledged before me on _____, 2003

By _____

As _____

Of _____



Sally A. West
Sally A. West
Notary Public for Oregon
My Commission expires May 12, 2007

Real Estate Note

\$84764.91

October 1, 2003

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Ronald D. and Sandra S. Walk Eighty Four Thousand Seven Hundred Sixty-four Dollars and Ninety-one Cents (\$84,764.91) thereon at the rate of six percent (6%) per annum in monthly installments of One Thousand Four Hundred Four Dollars and Eighty Cents (\$1404.80), beginning **October 15, 2003.**

This Real Estate Note is to replace the present loan of July 3, 2000 with a current balance owing of Fifty Thousand Eight Hundred Sixty-One Dollars and Eighty-Seven Cents (\$50,861.87) and an additional loan of Thirty Three Thousand Nine Hundred Three Dollars and Four Cents (\$33,903.04). All unpaid amounts of principal and interest shall be due and payable on **September 15, 2009.**

This note is secured by a mortgage of the real estate located at 132 Ozmar Lane, Crescent, Oregon 97733; Lot 8 of CRESCENT HEIGHTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon and duly recorded with the Klamath County Registry of Deeds. (Recording of this is to be at the expense of the borrower and done within ten days of the loan.)

Upon the default in any payment of principal or interest as provided herein, the entire balance then remaining unpaid shall immediately become due and payable at the option of the holder hereof. In the event of default, the undersigned further agrees to pay all reasonable attorney fees and collection costs.

Signed under seal this 1st day of October, 2003.

Sandra K. Fitzer
Signature

10-1-03
Date

Alice L. Bishop
Notary
My Commission Expires 8-19-2006
Date

10-1-03
Date

