

TC 8204  
THIS MORTGAGE, Made this 10th day of December, 1975,  
by JACK B. OWENS and ELAINE OWENS, husband and wife, Mortgagor,  
to WILLIAM S. NICHOLSON Mortgagee,

WITNESSETH, That said mortgagor, in consideration of Thirty Eight Thousand and no/100 (\$38,000) Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

Township 34 South, Range 7 1/2, East of the Willamette Meridian  
Section 1: W 1/2 NW 1/4, W 1/2 W 1/2 E 1/2 NW 1/4  
Section 2: N 1/2 NE 1/4, S 1/2 NE 1/4, N 1/2 N 1/2 SE 1/4  
Township 33 South, Range 7 1/2, East of the Willamette Meridian  
Section 36: W 1/2 SW 1/4 SW 1/4

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 heirs, executors, administrators and assigns forever.  
This mortgage is intended to secure the payment of a promissory note, of which the following is a substantial copy:

\$38,000.00 Klamath Falls, Oregon, December \_\_\_\_\_, 1975

We, JACK B. OWENS and ELAINE OWENS, husband and wife, jointly and severally promise to pay to the order of WILLIAM S. NICHOLSON, at Klamath Falls, Oregon, the sum of Thirty Eight Thousand and no/100 Dollars (\$38,000), plus interest thereon at the rate of 6% per annum from the date hereof until paid. Said sum shall be paid in full between the 1st day of January, 1976, and the 15th day of January, 1976, and if not so paid, the entire balance of principal and interest shall become immediately due and payable at the option of the holder of this note. If this note is placed in the hands of an attorney for collection, we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the Court in which the suit or action, including any appeal therein, is tried, heard or decided.

/s/ Jack B. Owens  
Jack B. Owens

/s/ Elaine Owens  
Elaine Owens

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: January 15, 1976.

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

This mortgage is inferior, secondary and made subject to a prior mortgage on the above described real estate made by

William S. Nicholson and Karen M. Nicholson dated September 3, 1974, and recorded in the mortgage records of the above named county in book M-74, at page 11879 thereof, or as 1974, and recorded in the mortgage records of the above named county in book \_\_\_\_\_ (indicate which), reference to said mortgage records file number \_\_\_\_\_, reel number \_\_\_\_\_ (indicate which), the unpaid principal sum of \$80,000; the unpaid principal balance thereof on the date of the execution of this instrument is \$80,000 and no more; interest thereon is paid to \_\_\_\_\_, 19\_\_\_\_; said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called simply "first mortgage".

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except reservations, restrictions, rights of way and easements of record and those apparent on the land.

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal and interest, according to the terms thereof; that while any part of the note secured hereby remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note secured hereby, when due and payable and before the same become delinquent; that he will promptly pay and satisfy any and all liens or 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 said premises continuously insured against loss or damage by fire

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