

DISCLOSURES

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(NOTICE: If this is a consumer credit transaction as defined by the Truth-in-Lending Act and Regulation Z, federal law requires that the creditor, lender or payee MUST make disclosures to the borrower or maker, for which purpose the following or equivalent must be used, if this is not a consumer credit transaction, a note form similar to that below, but without printed disclosures, is available.)

1. Proceeds \$ 5,500.00 4. FINANCE CHARGE; interest \$ 2,360.40 2,360.40
 2. \$ _____ Other _____ total \$ 2,360.40
 3. Amount financed (1 + 2) \$ 5,500.00 5. Number of payments 20; Total of payments 3 + 4 \$ 8,560.40
 6. ANNUAL PERCENTAGE RATE 9%

If note is prepaid, no part of FINANCE CHARGE will be refunded, but pre-computed interest, then unearned, will be abated; (if, in the note below, interest is payable in addition to regular equal principal payments, make the following additional disclosures); each payment on principal, \$ _____; amount of FINANCE CHARGE in first scheduled payment, \$ _____, and in last scheduled payment, \$ _____.

I/We acknowledge receipt of a copy of the (1) note below and (2) above disclosures before signing the note.

Carol J. Buis
 Maker-Borrower

Joe D. Benham
 Maker-Borrower

IMPORTANT: If additional disclosures are required, make same on one side of a separate sheet of paper on which this transaction is clearly identified, attach same to these disclosures and have maker-borrower acknowledge receipt thereof.

\$ 5,500.00 Each of the undersigned promises to pay to the order of Carl Miller, June, 19 76.
 (herein called the payee) at Bonanza, Oregon
 the sum of Five thousand five hundred and no/100ths DOLLARS (\$ 5,500.00),
 together with interest thereon at 9 percent per annum from the date hereof until paid, payable in
 installments, at the dates and in amounts as follows: 69.67 per month for ten years

interest shall be paid monthly and is included in the payments above required, which shall continue until this note, principal and interest is fully paid.

1. To secure the payment of this note and any other liabilities of any of the undersigned to said payee, hereafter arising, the undersigned grant to the payee a security interest in the following collateral:

(a)

(b) together with any other property, tangible or intangible, owned by or in which the undersigned, or any thereof, have an interest which may hereafter be in the possession or control of the payee and

(c) the proceeds and products of all the foregoing.

2. If other liabilities of any of the undersigned to the said payee are in existence when this note is paid, then, notwithstanding the surrender of this note, the payee may retain the collateral and, with reference thereto, have all rights and remedies available to him including those granted or referred to in this note.

3. The payee may vote the collateral, collect all dividends thereon, receive and take control of any proceeds, transfer all or part of the collateral into payee's own name or that of his nominee and notify any person obligated on the collateral of the payee's security interest therein and to make payments directly to the payee.

4. The payee shall have no duty to collect or protect the collateral or any proceeds, to preserve the rights of any of the undersigned against prior or other parties, to realize on the collateral in any particular manner or to seek reimbursement from any particular source and, at his option, may proceed directly against the undersigned, the endorsers hereof or any thereof.

5. With reference to this note and also to that portion of the collateral, if any, which includes indebtedness owing to any of the undersigned, the payee, at his election, may grant any extensions, postponement of time of payment, indulgence, or permit any substitutions, exchange or release of collateral and may add to or release any parties primarily or secondarily liable without notice to and without releasing any of the undersigned or any endorser hereof.

6. The undersigned assume full responsibility for taking any necessary steps to protect any of the collateral in payee's possession including, without limitation, the exercise of any rights respecting the collateral. The payee shall have exercised reasonable care in the preservation and protection of the collateral if he takes such action for that purpose as the undersigned shall request in writing, but no omission to comply with any such request of itself shall be deemed failure to exercise reasonable care.

7. If this note is placed in the hands of an attorney for collection, each of the undersigned promises and agrees to pay the reasonable collection costs of the holder hereof; and if suit or action is filed hereon, also promises to pay (1) holder's reasonable attorney's fees to be fixed as the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court.

8. If payment of this note is made by any co-maker or endorser the payee is authorized, at his election, to surrender the collateral to the person making such payment.

9. The rights and remedies of the payee (as the secured party herein) with respect to all of the above described collateral as well as all other collateral in which the payee has a security interest by this note or otherwise shall be those provided by the laws of Oregon.

10. If the payee negotiates or transfers this note he may deliver all or any part of the collateral to the transferee or holder who thereupon shall become vested with all the powers and rights herein granted to the said payee. Upon such negotiation or transfer, the payee shall be relieved and discharged from any liability or responsibility in connection with the transferred collateral but all rights of the payee shall be preserved with respect to any collateral retained by him.

11. The undersigned shall be in default hereunder upon the occurrence of any of the following events:

(a) Failure to pay when due the principal or interest on this note or any of the said installments;

(b) Change in the condition or affairs, financial or otherwise, of any of the undersigned or of any endorser hereof which in payee's opinion impairs or decreases his security;

(c) Termination of business or commencement of any insolvency proceedings by or against any of the undersigned or any endorser hereof, or if any of the undersigned or endorser hereof dies, or if any of them is a partnership, the death of any partner;

(d) If this note is secured by a security agreement, any default of debtor under the terms of said agreement.

In the event of the occurrence of any of the foregoing events of default or if the payee deems or has reasonable cause to deem himself insecure, then at the option of the said payee this note as well as all other obligations to payee of any of the undersigned and of any endorser hereof shall immediately become due and payable.

12. In construing this instrument, the singular includes the plural and vice versa, the masculine pronoun includes the feminine and the neuter and the payee means and includes any holder hereof.

Joe D. Benham Carol J. Buis
 STATE OF OREGON; COUNTY OF KLAMATH; ss. Carl Miller

I hereby certify that the within instrument was received and filed for record on the 2nd day of FEBRUARY A.D., 19 87 at 2:16 o'clock P.M., and duly recorded in Vol. M 77 of NORTGAGES on Page 1893.

FEE \$ 9.00

WM. D. MILNE, County Clerk
 By Isaac Daniel Deputy

FORM No. 3

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