

SECOND MORTGAGE

THIS MORTGAGE, made this 1st day of June, 1975, by
PAUL HARRIS, Mortgagor, to KEITH A. HESCOCK & REBECCA HESCOCK,
Mortgagees,

WITNESSETH:

That said mortgagor, in consideration of Six Thousand and
no/100----(\$6,000.00)----Dollars, to him paid by said mortgagees,
does hereby grant, bargain, sell and convey unto said mortgagees,
their heirs, executors, administrators and assigns, that certain
real property situated in Klamath County, State of Oregon, bounded
and described as follows, to-wit:

Beginning at the Southeast corner of Lot 3,
Section 31, Township 32 South, Range 7 1/2 East of
the Willamette Meridian, running thence North along
the East line of said Lot 3 a distance of 650 feet;
thence West and parallel to the South line of said
Lot 3 a distance of 1000 feet, more or less to the
Easterly line of State Highway running through said
Section 31; thence Southeasterly along the Easterly
line of said State Highway to its intersection with
the South line of said Lot 3; thence East along the
South line of said Lot 3; 681 feet more or less to
the place of beginning being a tract of land situate
in Lot 3, Section 31, Township 32 South, Range 7 1/2
East of the Willamette Meridian.

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 mortgagees, their 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:

17600

\$ 6,000.00 Klamath Falls, Ore., May 31, 1975.
 I (or if more than one maker) we, jointly and severally, promise to pay to the order of
 KEITH A. HESCOCK and REBECCA HESCOCK,
 at Klamath Falls, Oregon DOLLARS,
 SIX THOUSAND and no/100 percent per annum from the date hereof until paid, payable in
 with interest thereon at the rate of 9% annual installments of not less than \$600.00 in any one payment; interest shall be paid annually and
 annual installments of not less than \$600.00 in any one payment; interest shall be paid annually and
 * in addition to the minimum payments above required; the first payment to be made on the 1st day of January
 19 76, and a like payment on the 1st day of January thereafter, until the whole sum, principal and
 interest has been paid; if any of said installments is not so paid, all principal and interest to become immediately due and collectible at the
 option of the holder of this note. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's
 reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an action is filed, the
 amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein,
 is tried, heard or decided.
 * Strike words not applicable.

Paul F. Harris
 Paul Harris

FORM No. 217—INSTALLMENT NOTE.

54 Stevens-Ness Law Publishing Co., Portland, Ore.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(1) 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 contract on the above described real estate made by JACK B. THOMAS and ALICE M. THOMAS, as sellers to PAUL F. HARRIS, as purchaser dated July 24, 1973, the said contract was given to secure the principal sum of \$22,600.00; the unpaid principal balance thereof on the date of the execution of this instrument is \$ 12,500.00 and no more; interest thereon is paid to July 28, 1975; said contract and the obligations secured thereby hereinafter, for brevity, are called simply "contract".

The mortgagor covenants to and with the mortgagees, their 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 contract and further 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 contract as well as principal and interest according to the terms thereof; that while any part of the

contract 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 and such other hazards as the mortgagees may from time to time require, in an amount not less than insurable value in a company or companies acceptable to the mortgagees herein, with loss payable, first to the holder of the said contract; second, to the mortgagees named herein and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the holder of the said contract as soon as insured and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagees named in this instrument. Now, if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagees may procure the same at mortgagor's expense; that the mortgagor will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then at the request of the mortgagees, the mortgagor shall join with the mortgagees in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagees, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagees.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by

17002

said contract as well as the note secured hereby according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payments of the note secured hereby; it being also agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagees shall have the option to declare the whole amount unpaid on said note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, or fail to do or perform anything required of him by said contract, the mortgagees herein, at their option, shall have the right to make such payments and to do and perform the acts required of the mortgagor under said contract, and any payment so made, together with the cost of such performance 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 secured hereby without waiver, however, of any right arising to the mortgagees for breach of covenant. This mortgage may be foreclosed for principal, interest and all sums paid by the mortgagees at any time while the mortgagor neglects to repay any sums so paid by the mortgagees. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagees 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, and 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 such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagees respectively.

17603

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

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

Paul Harris

STATE OF OREGON,

County of Klamath

ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 12 day of June, 1975, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Paul Harris

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Harold G. Young
Notary Public for Oregon.
My Commission expires 9 Jan 76

Re to
Thomas Beasley & Couch
930 Klamath Ave
Klamath Falls, Or.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at _____ of _____
this 20th day of September A. D. 1977 at 3:26 clock P.M., and
duly recorded in Vol. M77, of _____ Mortgages on Page 17599

Wm D. MILNE, County Clerk

Fee \$15.00

Second Mortgage — Page 5

ck
15.00