

4931-16273-1

THIS MORTGAGE Made this 8th day of September, 1978,  
by KATHLEEN L. PURSELL and LOLA E. ULAM, Mortgagor,  
to GEORGE A. PONDELLA, Jr. and DONALD E. BAILEY, Mortgagee.

WITNESSETH, That said mortgagor, in consideration of TEN THOUSAND FIVE HUNDRED AND No/100s 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:

Lot 13, Block 5, CHILOQUIN DRIVE ADDITION TO CHILOQUIN, in the County of Klamath, State of Oregon.

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:

\$10,500.00 Klamath Falls, Oregon, September 8, 1978  
I (or if more than one makes) we, jointly and severally, promise to pay to the order of George A. Pondella, Jr. and Donald E. Bailey  
at Klamath Falls, Oregon or as directed  
TEN THOUSAND FIVE HUNDRED AND No/100s DOLLARS,  
with interest thereon at the rate of 7% percent per annum from September 6, 1978 until paid, payable in monthly installments of not less than \$120.00 in any one payment; interest shall be paid monthly and the minimum payments above required; the first payment to be made on the 6th day of October 1978, and a like payment on the 6th day of each month thereafter, until the whole sum, principal and interest, is paid in full. If any of said payments 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.  
This note reads not enforceable.

Lola E. Ulam  
Kathleen L. Purcell

54 Street News Law Publishing Co., Portland, Ore.

FORM No. 117-CONSTITUTIONAL NOTE.

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:

And said mortgagee covenants and agrees with the mortgagor, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title therein.

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note 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 above described, when due and payable and failure to do so may become liens on the premises or any part thereof; that he will promptly pay and satisfy any and all liens or encumbrances that may be levied or assessed against the premises or any part thereof; that he will keep the buildings and improvements on the premises insured against fire and such other hazards as the mortgagee may hereafter require, in an amount not less than the original principal sum of the note or the amount of the mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor; that if the mortgagee shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee as soon as received, then the mortgagor shall be free to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same in the mortgagee's name; that he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgagor shall execute and deliver to the mortgagee, on demand, a copy of the mortgage and of the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay the cost of such copies and the cost of all lien searches made by the mortgagee or its attorney.

The mortgage warrants that the proceeds of the loan represented by the above described note and this mortgage are:  
(a) primarily for mortgagee's personal, family, household or agricultural purposes (see Important Notice below),  
(b) for an organization or (c) if mortgagee is a natural person) are for business or commercial purposes other than agricultural purposes.

Now, therefore, if said mortgagee shall be in default of the loan represented by the above described note and this mortgage are:  
all its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of said note; it being agreed that a failure to perform any covenant herein, or if a provision of any kind be taken for enforcement of any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or on this mortgage at once then and payable, and this mortgage may be foreclosed as above provided for, the 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 said note without waiver, however, of any right owing to the mortgagee for breach of covenant, and this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while this mortgage, the mortgagee agrees to pay all reasonable costs incurred by the mortgagee in such suit or action, and if an appeal is taken from any judgment or decree entered in such suit or action, the mortgagee shall 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.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagee and of said mortgagor respectively.  
In case suit or action is commenced to foreclose this mortgage, the Court, may upon motion of the mortgagee, appoint a receiver to collect the rents and profits 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 construing this mortgage, it is intended that the mortgagor or mortgagee may be more than one person; that if the words as required, the singular pronouns 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

said mortgagor has hereunto set his hand the day and year first above written.

*Lola E. Ulam*  
*Kathleen L. Purcell*

IMPORTANT NOTICE: Failure to bring suit within the time specified in this mortgage may result in the loss of the right to foreclose. The mortgagee must bring suit within the time specified in this mortgage or the mortgagee will be deemed to have waived its right to foreclose. This notice is given for the purpose of informing the mortgagor of the time within which suit must be brought. If the mortgagor fails to bring suit within the time specified in this mortgage, the mortgagee will be deemed to have waived its right to foreclose. This notice is given for the purpose of informing the mortgagor of the time within which suit must be brought.

STATE OF OREGON,

County of Klamath

BE IT REMEMBERED, That on this 13<sup>th</sup> day of September 1978, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named *Lola E. Ulam* and *Kathleen L. Purcell*

known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they 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.

*David B. Kaiter*  
Notary Public for Oregon  
My Commission expires 12-22-78

MORTGAGE

(FORM NO. 1044)

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 14<sup>th</sup> day of September, 1978, at 10:56 o'clock A.M., and recorded in Book 478 on page 20332 or as the serial number 54960.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

*Wm. D. Milne* Title  
*By Katherine H. H. H. H.* Deputy.