

## - MORTGAGE -

THIS INDENTURE WITNESSETH: THAT JAMES L. SPEARS and SANDRA L. SPEARS, husband and wife, for and in consideration of the sum of Fifty-Four Thousand One Hundred (\$54,100.00) DOLLARS, to them in hand paid, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey unto ROSS CARIAGA and JEANNE CARIAGA, husband and wife, Mortgagees, the following described premises situated in Klamath County, State of Oregon, to-wit:

## PARCEL 1:

A parcel of land situated in the S $\frac{1}{2}$  of Section 12, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the South  $\frac{1}{4}$  corner of section 12; thence Easterly 662.82 feet along the South section line of Section 12 to a point; thence North 26°31'58" West, 649.63 feet, more or less, to a 5/8" iron rod; thence South 82°30'46" West, 1300.84 feet to a 5/8" iron rod on the East shore line of Upper Klamath Lake; thence Southeasterly along the East shore line of Upper Klamath Lake to the Northwest corner of SUNSET BEACH, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon; thence running Northeasterly and Southeasterly along the Northerly and Easterly boundary lines of said plat of SUNSET BEACH, to a point at the intersection with the South section line of Section 12; thence Easterly along the South section line of Section 12 to the point of beginning.

SUBJECT TO a non-exclusive easement for ingress and egress over and across a 60 foot strip along the West boundary defined by the East shore line of Upper Klamath Lake and along the South boundary defined by the Northerly line of SUNSET BEACH plat herein described.

## PARCEL 2:

Beginning at the iron pin which marks the Northeast corner of Lot 2, in Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, which point is also the Northwest corner of Terminal City and running thence: South 0°04' East along the Township line a distance of 818 feet to an iron pin which marks the intersection of the Southerly right-of-way line of Center Street in Terminal City extended Westerly and the Township line; thence North 38°01' West, a distance of 140.95 feet to an iron pin; thence North 53°02' West a distance of 277.08 feet to an iron pin; thence North 61°27' West a distance of 599.66 feet to an iron pin which lies South at right angles 250 feet from the North line of Lot 2 in Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence West parallel to the North line of Lot 2 in Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, to the Southeast corner of SUNSET BEACH, according to the official plat thereof, on file in the office of the County Clerk of Klamath County, Oregon; thence running North-erly and North westerly along the Easterly and Northeasterly lines of said plat of SUNSET BEACH, to the North line of Government Lot 1 in said Township and Range; thence East along said North line to the Northwest corner of that certain parcel conveyed to D. T. Matthews, et ux, by Bargain Sale Deed recorded October 7, 1969, in Vol. M69,

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page 8552, Microfilm Records of Klamath County, Oregon; thence South-easterly along the Westerly line of said Matthews parcel 1517.0 feet, more or less, to the most Southerly corner thereof; thence North along the Easterly line of said Matthews parcel to the North line of Government Lot 2 in said Township and Range; thence East along said North line of Lot 2 to the point of beginning.

EXCEPTING THEREFROM a tract of land situate in the SE 1/4 NE 1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at the iron pipe marking the Northeast corner of the SE 1/4 NE 1/4 of Sec. 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence South 00°04' East along the Section line 818.0 feet to the iron pin marking the Northeast corner of that parcel described in Klamath County Deed Records Vol. 339, page 484; thence North 38°01' West 140.95 feet to an iron pin; thence North 53°13' West 171.0 feet to an iron pin; thence North 29°48' East 362.23 feet to an iron pin; thence North 8°26' East 293.50 feet, more or less, to the point of beginning.

ALSO EXCEPTING THEREFROM a tract of land situated in Government Lot 2, Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at the iron pin marking the Northeast corner of Government Lot 2, Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence South 8°26' West along the West boundary of that parcel described in Klamath County Deed Records in Vol. M68, page 1815, 293.50 feet to an iron pin; thence South 28°48' West, 362.23 feet to an iron pin marking the Southwest corner of that parcel described in Klamath County Deed Records in Vol. M68, page 1815; thence North 53°13' West 106.08 feet to an iron pin; thence North 61°27' West 722.02 feet; thence North 80°19' West 38.30 feet; thence North 189.63 feet to a point on the North boundary line of said Government Lot 2; thence East along said North boundary line 980.0 feet to the point of beginning.

Together with the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same unto said Mortgagees, their heirs and assigns forever.

THIS CONVEYANCE IS INTENDED AS a Mortgage to secure the payment of the sum of Fifty-Four Thousand One Hundred (\$54,100.00 DOLLARS, in accordance with the terms of one certain promissory note of which the following is a substantial copy:

54,100.00	Klamath Falls, Oregon	January 31	1979
I (or if more than one maker) we, jointly and severally, promise to pay to the order of <u>ROSS CARIAGA</u>			
and <u>JEANNE CARIAGA</u> , husband and wife, at Klamath 1st Federal Savings			
and Loan Association at Klamath Falls, Oregon			
- - - Fifty-Four Thousand One Hundred - - -		DOLLARS,	
with interest thereon at the rate of <u>9</u> percent per annum from <u>February 1, 1979</u>		until paid, payable in	
monthly installments of not less than \$ <u>500.00</u>		monthly	
* in addition to the minimum payments above required; the first payment to be made on the <u>1st</u> day of <u>March</u>		and	
1979, and a like payment on the <u>1st</u> day of each month 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.			
**No payment in excess of \$5,000 in 1979 and in excess of \$15,000 in any other year, need be accepted.			

*Jeanne C. Cariaga*  
*Ross C. Cariaga*

The Mortgagees shall, upon written request from the Mortgagors, and without any additional consideration, release from this mortgage any parcel not to exceed four (4) acres located in Parcel 1, together with an easement for ingress and egress to and from said four (4) acres, upon Grantors granting to Grantees as easement to the North.

It is further understood and agreed by and between mortgagors and mortgagees that when the unpaid principal balance of said note has been reduced to \$20,000.00, Mortgagees will release Parcel 2 from the lien of this mortgage.

The Mortgagors warrant the proceeds of the loan represented by the above described note and mortgage are primarily for mortgagors' personal, family, household or agricultural purposes.

Now, therefore, if mortgagors shall keep and perform the covenants herein contained and shall pay said note 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 payment of said note, it being 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 shall be foreclosed at any time thereafter; and if the mortgagors shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium on said premises, the mortgagees may, at their 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 arising to the mortgagees for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by mortgagees at any time while mortgagors neglect to repay any sums so paid by mortgagees. In the event of any suit or action being instituted to foreclose this mortgage, mortgagors agree to pay all reasonable costs incurred by 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 mortgagors further promise to 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 mortgagors and said mortgagees respectively.

In case suit or action is commenced to foreclose this mortgage the Court may, upon motion of 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 Mortgagors have hereunto set their hands this 31st day of January, 1979.

*James L. Spears*  
*Sandra L. Spears*

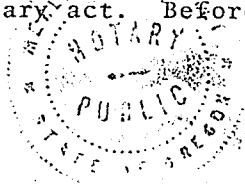
STATE OF OREGON )

County of Klamath )

SS

Feb 3, 1979

Personally appeared the above named JAMES L. SPEARS AND SANDRA L. SPEARS, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:



*William L. Swenson*  
Notary Public for Oregon

My Commission expires: 2-16-81

Return to  
William B. Blandness  
411 Pine

The Mortgages shall, upon written  
without any additional consideration, be  
parcel not to exceed four (4) acres loca-  
ment for ingress and egress to and from  
granting to grantees as easement to the  
It is further understood and agreed  
gages that when the unpaid principal bal-  
to \$20,000.00, Mortgages will release the  
mortgage.

The Mortgages warrant the proceeds of  
described note and mortgage are primarily for mortgagors' personal, family,  
household or agricultural purposes.  
Therefore, if mortgagors shall keep and perform the covenants here-  
in contained and shall pay said note according to its terms, this conveyance  
shall be null and void and shall remain in full force as a mortgage to

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 27th day of  
February A.D., 19 79 at 10:24 o'clock A M., and duly recorded in Vol M79  
of Mortgages on Page 4333.

FEE \$12.00

WM. D. MILNE, County Clerk  
By Bernetha Hubach Deputy

to repay any sums so paid by mortgagors. In the event of any suit or  
action being instituted to foreclose this mortgage, mortgagors agree to pay  
all reasonable costs incurred by mortgagors 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 en-  
tered therein mortgagors further promise to 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  
mortgagors and said mortgagors respectively.

In case suit or action is commenced to foreclose this mortgage the Court  
may, upon motion of mortgagors, appoint a receiver to collect the rents and  
profits arising out of said premises during the pendency of such foreclos-  
ure 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 Mortgagors have hereunto set their hands this 21st  
day of January, 1979.

STATE OF OREGON  
County of Klamath  
Personally appeared the above named JAMES I. SPEARS AND SANDRA L. SPEARS,  
husband and wife, and acknowledged the foregoing instrument to be their  
voluntary act, before me:  
\_\_\_\_\_  
Notary Public for Oregon  
My Commission expires: \_\_\_\_\_  
1979